

**UGI UTILITIES, INC. – GAS DIVISION**

**BEFORE**

**THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Information Submitted Pursuant to**

**Section 53.51 et seq of the Commission’s Regulations**

**INDEX**

**INDEX OF DIRECT TESTIMONY**

**STATEMENT OF REASONS**

**PLAIN LANGUAGE – STATEMENT OF REASONS**

**SECTION 53.52 FILING REQUIREMENTS**

**SECTION 53.62 FILING REQUIREMENTS**

**SECTION 53.53 – VALUATION**

**SECTION 53.53 – RATE OF RETURN**

**SECTION 53.53 – BALANCE SHEET AND OPERATING STATEMENT**

**SECTION 53.53 – RATE STRUCTURE**

**INDEX OF CONTENTS ON USB FLASH DRIVE**

**USB FLASH DRIVE**

**UGI UTILITIES, INC. – GAS DIVISION – PA P.U.C. NOS. 7 & 7S  
SUPPLEMENT NO. 32**

**DOCKET NO. R-2021-3030218**

**Issued: January 28, 2022**

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# INDEX

**UGI UTILITIES, INC. – GAS DIVISION  
2022 BASE RATE CASE  
DOCKET NO. R-2021-3030218**

**INDEX**

<b>BOOK I</b>	Index Index of Direct Testimony Statement of Reasons Plain Language – Statement of Reasons Section 53.52 – Filing Requirements Section 53.62 – Filing Requirements Section 53.53 – Valuation Section 53.53 – Rate of Return Section 53.53 – Balance Sheet and Operating Statement Section 53.53 – Rate Structure Index of Contents on USB Flash Drive USB Flash Drive
<b>BOOK II</b>	Supplemental Data Requests – Cost of Service Supplemental Data Requests – Rate of Return Supplemental Data Requests – Revenue Requirements
<b>BOOK III</b>	UGI Gas Statement No. 1 – Christopher R. Brown UGI Gas Statement No. 2 – Tracy A. Hazenstab UGI Gas Statement No. 3 – Vivian K. Ressler UGI Gas Statement No. 4 – John F. Wiedmayer UGI Gas Statement No. 5 – Vicky A. Schappell
<b>BOOK IV</b>	UGI Gas Statement No. 6 – Paul R. Moul UGI Gas Statement No. 7 – Nicole M. McKinney UGI Gas Statement No. 8 – Sherry A. Epler UGI Gas Statement No. 9 – Timothy J. Angstadt UGI Gas Statement No. 10 – Constance E. Heppenstall UGI Gas Statement No. 11 – John D. Taylor
<b>BOOK V</b>	UGI Gas Exhibit A – Revenue Requirement - Fully Projected UGI Gas Exhibit A – Revenue Requirement - Future UGI Gas Exhibit A – Revenue Requirement - Historic UGI Gas Exhibit B – Rate of Return UGI Gas Exhibit E – Proof of Revenue

**UGI UTILITIES, INC. – GAS DIVISION  
2022 BASE RATE CASE  
DOCKET NO. R-2021-3030218**

**INDEX (Continued)**

- BOOK VI** UGI Gas Exhibit C – Depreciation Study – Fully Projected
- BOOK VII** UGI Gas Exhibit C – Depreciation Study – Future
- BOOK VIII** UGI Gas Exhibit C – Depreciation Study – Historic
- BOOK IX** UGI Gas Exhibit D – Cost of Service Study
- BOOK X** UGI Gas Exhibit F – Current Tariffs
- BOOK XI** UGI Gas Exhibit F – Proposed Supplement No. 32 to UGI  
Utilities, Inc. – Gas Division – Pa. P.U.C. Nos. 7 & 7S

**INDEX OF DIRECT TESTIMONY**

**UGI UTILITIES, INC. – GAS DIVISION  
2022 BASE RATE CASE  
DOCKET NO. R-2021-3030218**

**INDEX OF DIRECT TESTIMONY**

**Book III**

<b><u>Witness</u></b>	<b><u>Topics</u></b>	<b><u>Exhibits</u></b>
<b>Christopher R. Brown</b> UGI Gas Statement No. 1	<ul style="list-style-type: none"> <li>• Purpose of Testimony and Rate Filing Overview</li> <li>• Need for Rate Relief</li> <li>• COVID-19 Relief Efforts</li> <li>• Unification of Rates</li> <li>• UGI-1 Initiative and UNITE</li> <li>• Auburn Capacity Release</li> <li>• Salaries and Wages Adjustments</li> <li>• Management Performance</li> </ul>	CRB-1
<b>Tracy A. Hazenstab</b> UGI Gas Statement No. 2	<ul style="list-style-type: none"> <li>• Uniform Rate Structure and Riders</li> <li>• Budget Process</li> <li>• Revenue Requirement</li> <li>• Operating Revenues and Expenses</li> <li>• Compliance with Act 40 of 2016</li> </ul>	TAH-1
<b>Vivian K. Ressler</b> UGI Gas Statement No. 3	<ul style="list-style-type: none"> <li>• Accounting Process and Historic Costs</li> <li>• Rate Base</li> <li>• Operating Expense Adjustments</li> <li>• Capital Treatment of Certain Information Technology Costs</li> <li>• COVID-19 Pandemic Costs</li> <li>• Costs for Federal Mandates Regarding COVID-19 Vaccination &amp; Testing</li> </ul>	VKR-1
<b>John F. Wiedmayer</b> UGI Gas Statement No. 4	<ul style="list-style-type: none"> <li>• Depreciation and Net Salvage</li> </ul>	-
<b>Vicky A. Schappell</b> UGI Gas Statement No. 5	<ul style="list-style-type: none"> <li>• Capital Planning</li> </ul>	VAS-1 – 2

**UGI UTILITIES, INC. – GAS DIVISION  
2022 BASE RATE CASE  
DOCKET NO. R-2021-3030218**

**INDEX OF DIRECT TESTIMONY (Continued)**

**Book IV**

<b><u>Witness</u></b>	<b><u>Topics</u></b>	<b><u>Exhibits</u></b>
<b>Paul R. Moul</b> UGI Gas Statement No. 6	<ul style="list-style-type: none"> <li>• Capital Structure</li> <li>• Rate of Return</li> </ul>	-
<b>Nicole M. McKinney</b> UGI Gas Statement No. 7	<ul style="list-style-type: none"> <li>• Tax and Tax Adjustments</li> <li>• Employee Retention Credit (“ERC”)</li> </ul>	NMM-1 - 4
<b>Sherry A. Epler</b> UGI Gas Statement No. 8	<ul style="list-style-type: none"> <li>• Test Year Sales and Revenues</li> <li>• Revenue Allocation and Rate Design</li> <li>• Tariff Changes</li> </ul>	SAE-1 – 10
<b>Timothy J. Angstadt</b> UGI Gas Statement No. 9	<ul style="list-style-type: none"> <li>• System Operations</li> <li>• Operational Response to COVID-19</li> <li>• System Reliability</li> <li>• Leak Reductions &amp; Emergency Response</li> <li>• Safety Initiatives</li> <li>• Environmental Remediation &amp; Programs</li> </ul>	TJA-1
<b>Constance E. Heppenstall</b> UGI Gas Statement No. 10	<ul style="list-style-type: none"> <li>• Cost of Service Allocation</li> </ul>	-
<b>John D. Taylor</b> UGI Gas Statement No. 11	<ul style="list-style-type: none"> <li>• Weather Normalization Rider</li> </ul>	JDT-1 – 2

**STATEMENT OF REASONS**



**UGI UTILITIES, INC. – GAS DIVISION**  
**2022 Base Rate Case**  
**Docket No. R-2021-3030218**

**STATEMENT OF REASONS**

**I. INTRODUCTION**

UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) is filing Supplement No. 32 to UGI Gas Tariff – Pa. P.U.C. Nos. 7 and 7S (“Supplement No. 32”), with a proposed effective date of March 29, 2022. The rates set forth in Supplement No. 32, if approved by the Pennsylvania Public Utility Commission (“Commission”), would increase UGI Gas’s annual jurisdictional revenues by \$82.7 million, or by 7.8%. In addition, the Company proposes to complete its transition to uniform rates, which began in the 2019 base rate case at Docket No. R-2018-3006814 (“2019 Rate Case”), for Rates N/NT and Rate DS. Supplement No. 32 also proposes additional changes to tariff rates, riders, and tariff terms and conditions as described in the filing.

The following rate impact analysis applies to UGI Gas’s customers. It assumes that the Company’s proposals for full rate relief and for uniform rate transition are accepted.

**Average Residential Heating Customer Bill Impact**

		Total Monthly Bill Impact			
	<u>Average Usage</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>	<u>Total</u>
All Customers	73.1 Ccf	\$ 98.62	\$ 108.01	\$ 9.39	9.5%

**Average Commercial Heating Customer Bill Impact**

		Total Monthly Bill Impact			
	<u>Average Usage</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>	<u>Total</u>
Former North	28.8 Mcf	\$ 307.00	\$ 330.09	\$ 23.09	7.5%
All Others	28.8 Mcf	\$ 317.93	\$ 330.09	\$ 12.16	3.8%

### Average Industrial Customer Bill Impact

		<u>Total Monthly Bill Impact</u>			
	<u>Average Usage</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>	<u>Total</u>
Former North	92.4 Mcf	\$ 931.45	\$ 993.83	\$ 62.38	6.7%
All Others	92.4 Mcf	\$ 966.55	\$ 993.83	\$ 27.28	2.8%

UGI Gas makes this tariff filing principally: (1) to allow it to earn a fair return on investments used and useful to serve the public safely and reliably; (2) to support ongoing Commission-approved infrastructure replacement programs designed to enhance safety and reliability; (3) to enhance information technology (“IT”) systems; (4) to implement a Weather Normalization Adjustment (“WNA”) tariff rider, which limits the variability of over- or under-collections of non-gas margin revenues due to weather; and (4) to recover higher levels of certain operating expenses necessary for the provision of safe and reliable gas distribution service. Each of these reasons is discussed in more detail below and in the Company’s testimony. As compared to current plant and base rate levels reflected in existing rates, UGI Gas projects an increase of approximately \$795 million in gross plant through the Fully Projected Future Test Year ending September 30, 2023 (“FPFTY”). Accordingly, this revenue increase is essential to attract the investments necessary to operate and maintain safe, reliable and customer-focused natural gas distribution services.

## **II. REASONS FOR THE REQUESTED REVENUE INCREASE**

### **1. Fair return on investments used to serve the public**

A variety of circumstances will prevent UGI Gas from earning a fair rate of return at present rate levels. As reflected in UGI Gas Exhibit A (Fully Projected), the Company’s operations are projected to produce an overall return on rate base of 6.13%, which equates to a return on common equity of only 7.89% for the FPFTY. As explained by UGI Gas witness Paul R. Moul (UGI Gas

Statement No. 6), those returns are not adequate based on applicable financial analysis and the risks confronted by UGI Gas. Unless UGI Gas receives the requested rate relief, its returns will decline. This will jeopardize its ability to attract capital necessary for system reliability, safety, and customer service.

## **2. Support for Commission-approved infrastructure replacement programs**

Significant capital investment in the distribution system is the primary driver for the requested rate relief in this proceeding. Upgrading and modernizing the distribution system facilitates the provision of safe, reliable, and reasonable service to customers. Accordingly, the Company is replacing its non-contemporary infrastructure at an accelerated pace, as described in the Company's Commission-approved Second Long Term Infrastructure Improvement Plan ("LTIP").<sup>1</sup> Through the Second LTIP, the Company will invest approximately \$1.3 billion on infrastructure improvements between 2020 and 2024, which will strengthen and modernize distribution facilities, in part through its Commission-approved programmatic elimination of all cast iron and bare steel mains on its system. In addition, UGI Gas continues to make system investments to serve new and existing residential and commercial customers, convert existing residences and commercial locations to natural gas (from other fuel sources), and improve critical information systems, as discussed further in subpart 3 below and in the Company's testimony.

## **3. Enhanced information technology systems, business processes and personnel effectiveness**

The Company has improved its technology and employee training resources over the past several years. In particular, the Company continues to implement UGI-1, an initiative designed to modernize the processes and information system tools used by its employees across its system.

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<sup>1</sup> See *Petition of UGI Utilities, Inc. – Gas Division for Approval of its Second Long Term Infrastructure Improvement Plan*, Docket No. P-2019-3012337 (Opinion and Order entered December 19, 2019).

UGI-1 is making the Company more effective in all aspects of its business, including customer calls, billing, new construction, operations and maintenance (“O&M”) activities, and emergency response. As part of this initiative, the Company also continues its UGI Next Information Technology Enterprise (“UNITE”) project, creating next generation technology solutions to improve the service experience of its customers, and improve efficiency. Specifically, UGI Gas implemented a new customer information system (UNITE Phase I) in 2017 and replaced its Enterprise Resource Planning financial and supply chain systems (UNITE Phase II) in 2019. The Company is in the process of implementing Phase III of UNITE, which consists of the Enterprise Performance Management (“EPM”) project and the larger Enterprise Asset Management (“EAM”) project, a multi-year, multi-phase project with the end goal of enhanced asset management capabilities and supporting applications. In October 2020, the EPM project introduced new capital budgeting and forecasting capabilities, which were integrated with the Company’s Enterprise Resource Planning and fixed asset and tax systems. In mid-2021, the Company kicked off the EAM’s Asset Data Collection phase, which will identify and standardize the retrieval of asset data information across UGI.

#### **4. Employee compensation and cost increases**

Finally, UGI Gas adopted needed annual wage and salary increases and has made certain compensation adjustments to attract, maintain, and promote a highly qualified work force and will continue to do so, where reasonable. As part of this case, the Company has proposed to increase compensation for certain employees in order to be competitive and to maintain its skilled workforce. These changes are discussed in the testimony of UGI Gas witness Christopher R. Brown (UGI Gas Statement No. 1) and Timothy J. Angstadt (UGI Gas Statement No. 9). UGI Gas also experienced other general price increases for necessary products and services.

Through these and other efforts, UGI Gas has made major strides toward modernizing its operations and has seen stable customer growth over time. However, forecasted cost increases and changes in per customer usage, which are described in the Company's testimony, will produce an inadequate rate of return on investments at present rates.

### **III. TRANSITION TO FULLY UNIFORM RATES, TERMS AND CONDITIONS**

On October 4, 2019, the Commission entered an Opinion and Order in the Company's 2019 Rate Case, which approved a unified rate structure for all rate classes except for Rates N/NT and Rate DS. As approved, the Company used a consolidated revenue requirement to establish uniform distribution and purchased gas cost rates, except for the former North Rate District customers on Rates N/NT and Rate DS.

In this case, the Company is proposing to take the remaining step to unify Rates N/NT and Rate DS. Doing so will achieve uniform class rates for distribution service throughout the entire service territory. The impact of these changes is discussed in the testimony of UGI Gas witness Sherry A. Epler (UGI Gas Statement No. 8).

The Company's efforts to unify its rates, rules and regulations has provided specific customer, administrative, and competitive benefits. Eliminating the Company's rate districts<sup>2</sup> facilitated more uniform offerings, services, and communications to customers (*e.g.* tariff administration, bill inserts, notices, and press releases), including the expansion of the Company's Energy Efficiency and Conservation ("EE&C") program to customers in the former Central Rate

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<sup>2</sup> On September 20, 2018, the Commission approved the Joint Petition for Settlement filed in the Company's Merger proceeding at Docket Nos. A-2018-3000381, A-2018-3000382, and A-2018-3000383. As a result of the Merger, the then-existing UGI natural gas distribution companies (UGI-GD, UGI-PNG and UGI-CPG) were merged into one resulting entity, UGI Gas. Accordingly, UGI-GD became the UGI South Rate District; UGI-PNG became the UGI North Rate District; and UGI-CPG became the UGI Central Rate District. The Merger was completed on October 1, 2018, and UGI Gas commenced operations under the three rate district structure approved as part of the Merger settlement.

District. UGI Gas’s customers also now receive uniform price-to-compare notifications applicable to the entire service territory.

#### **IV. MANAGEMENT EFFECTIVENESS**

UGI Gas has focused on a number of areas to enhance and improve the quality and effectiveness of its management performance. These efforts include:

##### Customer Service

- Finishing in first or second in the J.D. Power award for customer satisfaction among utilities in each of the last nine years, and winning the J.D. Power #1 in Customer Satisfaction award a total of eight times since UGI was first included in the survey in 2003 by J.D. Power. UGI was also named a 2021 “Customer Champion” by Escalant.

##### Reliability

- Modernizing the distribution system by aggressively replacing aged infrastructure with the highest percentage of contemporary materials (*i.e.*, 90%) in the Commonwealth.
- Driving significant reductions in the levels of new leaks found, including a 28.6% reduction in C Leaks, a 50.3% reduction in B Leaks and a 47.7% reduction in A Leaks since 2016.

##### Safety

- Developing and implementing numerous safety improvement initiatives to reduce injuries and motor vehicle accidents including a focus on fostering an enhanced safety culture across the Company.
- Winning the 2021 American Gas Association Safety Awareness Video Excellence (“SAVE”) award for being an outstanding contributor to natural gas communications on safety and education.
- Avoiding accidents through the “Near Miss/Good Catch” (“NMGC”) program, which aids human performance, incorporating learnings from actual incidents that had the potential to but did not result in harm, damage or injury.

##### COVID Response

- Mitigating hardships experienced by customers through the Emergency Relief Program (“ERP”), which assisted those economically impacted by the Pandemic from October through December 2020. The Company awarded over \$198,000 in grants to approximately 1,500 residential customers and instituted 1,800 payment agreements to collect over \$1.5 million.

### Environmental

- Administering a voluntary service territory-wide EE&C Plan with a comprehensive portfolio of energy efficiency and conservation programs designed to assist customers in saving energy through various cost-effective measures.
- Reducing GHG emissions by successfully converting more than 100,000 coal and fuel oil customers to more environmentally-friendly natural gas over the past decade and switching qualifying customers to gas through UGI Gas's recent line extension tariff rules adopted in the 2020 Gas Rate Case.
- Fostering clean fuel adoption, as twelve percent of UGI Gas's fleet includes compressed natural gas fueled vehicles ("NGVs"). These vehicles provide significant reductions in carbon emissions and serve to demonstrate the benefits existing today for NGVs to both produce favorable operating costs as well as improve the environment.
- Incorporating renewable natural gas ("RNG") into the gas supply portfolio from Archaea Energy's Keystone Landfill, which is the largest RNG facility in the world, and facilitating opportunities for the voluntary sale of RNG credits to interested parties both in Pennsylvania and abroad, thus bolstering revenue streams for commercial and agricultural entities in the Commonwealth.

### Community Engagement

- Volunteering more than 31,000 hours of work and personal time to assist the Company's communities in 2020. Combined with corporate contributions and retiree contributions, total support provided to United Way agencies serving communities in the UGI Gas service territory in 2020 totaled more than \$551,000.

### Diversity & Inclusion

- Developing the Belonging, Inclusion, Diversity and Equity ("BIDE") initiative, which provides the blueprint for achieving greater diversity of thought, experience, culture, gender, race, and sexual orientation throughout the Company. Focusing on four core pillars of the business: Culture, Career, Community and Commerce, BIDE provides employees with a safe, welcoming, and inclusive work environment and develops a more diverse workforce.
- Strengthening community ties by contracting with Minority, Women, and Disabled Owned Businesses and spending more than \$59 million in 2021 with qualifying businesses.

The identified initiatives and efforts, as described by the Company's witnesses, demonstrate UGI Gas's commitment to providing safe, reliable, and quality distribution service to its customers. The Company believes that its management efforts, system investments, and continued provision of safe and reliable service at reasonable rates, as detailed by the witnesses'

testimony submitted in this case, all support an upward adjustment to the Company's rate of return. This upward adjustment is included in the 11.20% return on common equity requested by the Company and is discussed in the Direct Testimony of Paul R. Moul (UGI Gas Statement No. 6).

## **V. OVERVIEW OF FILING**

Included with UGI Gas's filing are all of the supporting data required by the Commission's regulations. This information provides data for an historic test year ended September 30, 2021 ("HTY"), a future test year ("FTY") ending September 30, 2022, and a FPFTY. In accordance with permitted ratemaking procedures, the Company has elected to use the FPFTY as the basis for its proposed revenue change.

UGI Gas has followed Commission ratemaking practice in preparing its claims for rate base, operating revenues and operating expenses.

**Rate Base.** Rate base was determined based on depreciated original cost values for projected plant in service at the end of the FTY and FPFTY, respectively. The Company's rate base claim also includes reasonable estimates for materials and supplies inventory and cash working capital, as well as standard deductions for accumulated depreciation, accumulated deferred income taxes, and customer deposits. The Company's rate base claim is shown in summary form in Schedule C-1 to Exhibit A (Fully Projected) and is principally supported by the Direct Testimony of Vivian K. Ressler (UGI Gas Statement No. 3).

**Operating Revenues.** UGI Gas's *pro forma* test year operating revenues were derived from its fiscal year 2023 operating budget. As explained in the testimony of Sherry A. Epler (UGI Gas Statement No. 8) and other witnesses, operating revenues were annualized, normalized, and otherwise adjusted in accordance with standard ratemaking practice, as detailed in Schedules D-5 and D-5A of Exhibit A (Fully Projected) and the exhibits attached to Ms. Epler's testimony.



**Operating Expenses.** UGI Gas's *pro forma* test year operating expenses were derived from its fiscal year 2023 operating budget. As explained in the testimony of Tracy A. Hazenstab (UGI Gas Statement No. 2) and other witnesses, certain operating expenses were annualized, normalized, and otherwise adjusted in accordance with standard ratemaking practice, as detailed in Section D of Exhibit A (Fully Projected). UGI Gas's claim for depreciation and amortization expense is supported by Exhibit C (Fully Projected) to the filing, and exhibits developed and supported by John F. Wiedmayer of Gannett Fleming Valuation & Rate Consultants, LLC (UGI Gas Statement No. 4). Mr. Wiedmayer's calculations are based on the straight-line, remaining life method previously approved for UGI Gas's operations by the Commission.

**Income Taxes.** UGI Gas's income tax expense was calculated using procedures previously accepted by the Commission. The Company's filing reflects the normalization of book-tax timing differences related to the use of accelerated depreciation for federal tax purposes and for the Company's repairs allowance deductions. As it relates to accelerated depreciation for state tax purposes, the Company uses flow-through for rate making purposes. The Company's tax claims are described and supported in the Direct Testimony of Nicole M. McKinney (UGI Gas Statement No. 7).

**Revenue Allocation and Class Cost of Service.** UGI Gas is proposing to allocate the revenue requirement to all customer classes based on the results of a consolidated class cost of service study. The Company also is proposing to establish uniform rates for Rates N/NT and Rate DS. The Company's proposed revenue allocation will move all rate classes substantially toward the overall system average rate of return. Additional details regarding the Company's cost of service study and revenue allocation are provided in the Direct Testimonies of Constance E. Heppenstall (UGI Gas Statement No. 10) and Sherry A. Epler (UGI Gas Statement No. 8).

**Rate Design.** In prior base rate proceedings, the Company has established a largely uniform rate structure and rate design across the former rate districts. As discussed above, UGI Gas adopted a single gas supply portfolio and unified rates to all customers but Rates N/NT and Rate DS customers. The Company also established a single Purchased Gas Cost (“PGC”) rate and associated price to compare. As part of this proceeding, UGI Gas is proposing to complete the process of incorporating Rates N/NT and Rate DS into the uniform rate design applied to all other rate classes. Details are found in the Direct Testimony of Christopher R. Brown (UGI Gas Statement No. 1).

**Other Tariff Changes.** In this filing, the Company proposes relatively few changes to the terms and conditions approved by the Commission in the Company’s most recent completed rate case. One such change is a proposed WNA tariff rider, which limits the variability of non-gas margin revenues due to weather variations during the heating season calendar months (e.g., October through May). A list of all proposed changes is identified in the Company’s proposed tariff, Supplement No. 32 to UGI Gas Tariff – Pa. P.U.C. Nos. 7 and 7S.

## **VI. CONCLUSION**

The proposed revenue increase is the minimum increase necessary for UGI Gas to continue providing safe and reliable service, to maintain the integrity of its financial ratings, to attract additional capital on reasonable terms, and to have a reasonable opportunity to earn a fair rate of return on property that is used and useful in providing natural gas service to the public within its service territory. The proposals contained in this filing will provide significant benefits to all stakeholders. Moreover, the Company’s proposed revenue allocation and rate design are just and reasonable and non-discriminatory, as are the proposed changes made to the Company’s general terms and conditions of service. Therefore, the rates, rules, and terms and conditions of service

set forth in Supplement No. 32 to UGI Gas Tariff – Pa. P.U.C. Nos. 7 and 7S should be permitted to become effective as filed.

**PLAIN LANGUAGE - STATEMENT OF REASONS**

**UGI UTILITIES, INC. – GAS DIVISION**  
**2022 Base Rate Case**  
**Docket No. R-2021-3030218**

**PLAIN LANGUAGE**  
**STATEMENT OF REASONS**

UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) has asked the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) to increase UGI Gas’s annual jurisdictional revenues by \$82.7 million, or by 7.8%, and finalize the transition to uniform rates, which began in the gas base rate case at Docket No. R-2018-3006814 (“2019 Base Rate Case”), for Rate N/NT and Rate DS customers. The percentage rate increase will vary by rate class. The main reasons for this proceeding are:

- UGI Gas continues to invest in gas plant needed to provide continued safe and reliable service. In the past five years, the Company has invested more than \$982,000,000 in repairing and replacing its aging infrastructure.
- UGI Gas seeks to complete its transition to uniform rates, which began in the 2019 Base Rate Case, for Rate N/NT and Rate DS. Doing so will achieve uniform class rates for distribution service throughout the entire service territory.
- UGI Gas proposes a Weather Normalization Adjustment (“WNA”) tariff rider, which limits the variability of over- or under-collections of non-gas margin revenues due to weather during the heating season (*i.e.*, October through May).
- Without substantial rate relief, UGI Gas will not be able to earn a fair return on its investment used to serve the public and, if not addressed, this could adversely affect the integrity of its financial ratings and its ability to provide safe and reliable service to its customers.

UGI Gas designed the proposed rates for each customer class to recover its total required revenue. In allocating the revenue increase to the residential and non-residential customer classes, UGI Gas was guided by detailed studies of each rate class’s cost of

service. UGI Gas also considered and balanced other principles of rate design consistent with the Commission's approach to ratemaking.

Along with its rate increase, UGI Gas has filed all of the supporting data required by the Commission's regulations, as well as the written statements of eleven witnesses and numerous exhibits prepared by those witnesses. The data, testimony, and exhibits submitted by UGI Gas comply with the Commission's filing requirements. The proposed distribution revenue increase is the minimum increase necessary for UGI Gas to continue providing safe and reliable service to the public within its service territory.

**SECTION 53.52 - FILING REQUIREMENTS**

**UGI UTILITIES, INC. – GAS DIVISION**

**Proposed Changes to UGI Utilities, Inc. – Gas Division, Supplement No. 32 to  
Original Tariff Nos. 7 and 7S**

Information furnished with the filing of rate changes under  
52 Pa. Code, Section 53.52

**(a) Applicable to changes in terms and conditions of service.**

**(a)(1) The specific reason for each change.**

The Company has provided a Statement of Reasons describing the necessity for the changes proposed in this filing.

**(a)(2) The total number of customers served by the utility.**

671,662 customers as of September 30, 2021.

**(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.**

R/RT	616,132
N/NT	70,125
DS	1,392
LFD	602
XD	56
IS	363

**(a)(4) The effect of the change on the utility’s customers.**

The specific effect by class is shown in UGI Gas Exhibit E – Proof of Revenue.

**(a)(5) The effect, whether direct or indirect, of the proposed change on the utility’s revenue and expenses.**

The Company’s proposal will change revenue and expenses, as shown on UGI Gas Exhibit A (Fully Projected), Schedule A-1. Individual adjustments to revenues and expenses are described in testimony and exhibits supporting the filing.

**(a)(6) The effect of the change on the service rendered by the utility.**

The filing will allow the Company to continue to provide safe and reliable service to its customers while maintaining high levels of customer satisfaction.



- (a)(7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa.C.S. Section 1308 (relating to voluntary changes in rates).**

The Company has provided a Statement of Reasons describing the numerous factors considered in its determination to make the filing. Please also see the Direct Testimony of Christopher R. Brown (UGI Gas Statement No. 1) for a summary of those factors.

- (a)(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa.C.S. Section 1308.**

Not applicable.

- (a)(9) Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change.**

The Company has not undertaken any polls.

- (a)(10) Plans the utility has for introducing or implementing the change with respect to its customers.**

The Company will notify customers of the proposed changes, including the proposed Weather Normalization Adjustment alternative ratemaking mechanism by a bill insert using the form of notices specified by the Commission at 52 Pa. Code 53.45. A copy of the notice will be provided together with an affidavit of compliance with the notice requirements. Upon approval, the Company will provide notice of Weather Normalization Adjustment approval and implementation in accordance with 66 Pa. C.S. § 1330 implementation requirements.

- (a)(11) F.C.C. or FERC or Commission orders or rulings applicable to the filings.**

The Company has experienced both increased uncollectible accounts expenses and increased costs in certain areas due to COVID-19. The Company's filing includes related claims in accordance with the Commission's May 13, 2020 Secretarial Letter regarding COVID-19 Cost Tracking and Creation of Regulatory Asset at Docket No. M-2020-3019775. The Company's recovery of certain extraordinary, nonrecurring incremental COVID-19 costs as part of this proceeding is discussed in the Direct Testimony of Vivian K. Ressler (UGI Gas Statement No. 3).

The Company also adopted some revisions to its accounting practices in accordance with the findings made in a recent Federal Energy Regulatory Commission ("FERC") Audit at Docket No. FA20-3-000.

**(b) Applicable to changes in rates.**

**(b)(1) Specific reason for each change.**

The Company has provided a Statement of Reasons describing the necessity of this filing.

**(b)(2) Utility's operating income statement ending not more than 120 days prior to filing date – historic year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule B-2. For future test year and fully projected future test year operating income statements, please refer to UGI Gas Exhibit A (Future), Schedule B-2, and UGI Gas Exhibit A (Fully Projected), Schedule B-2.

**(b)(3) Number of customers, by tariff subdivision, whose bills will be increased.**

<u>Tariff Rate</u>	<u>Customers</u>
R/RT	616,132
N/NT	70,125
DS (former North rate district)	389
LFD	602

**(b)(4) Total increases, in dollars, by tariff subdivision, projected to an annual basis.**

Please refer to UGI Gas Exhibit E – Proof of Revenue.

**(b)(5) Number of customers, by tariff subdivision, whose bills will be decreased.**

<u>Tariff Rate</u>	<u>Customers</u>
DS (former South & Central rate districts)	1,003
XD	56
IS	363

**(b)(6) Total decreases, in dollars, by tariff subdivision, projected to an annual basis.**

Please refer to UGI Gas Exhibit E – Proof of Revenue.

**(c) Applicable to changes where increase for any tariff subdivision exceeds 3% of utility's operating revenue OR bills of more than 5% of customers will increase.**

**(c)(1) Rate of return for historic year and anticipated for future year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule A-1, UGI Gas Exhibit A (Future), Schedule A-1, and UGI Gas Exhibit A (Fully Projected), Schedule A-1.

**(c)(2) Detailed balance sheet at the end of the historic year.**

For the end of the historic year balance sheet, please refer to UGI Gas Exhibit A (Historic), Schedule B-1.

**(c)(3) Summary, by detailed plant accounts, of book value of property of utility at end of historic year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule C-2, for the original cost book value of the property of the utility for the historic year.

**(c)(4) Respective amount of the depreciation reserve applicable to each detailed plant account.**

Please refer to UGI Gas Exhibit A (Historic), Schedule C-3, for the historic year depreciation reserve as of year-end, UGI Gas Exhibit A (Future), Schedule C-3, for the future test year depreciation reserve as of year-end, and UGI Gas Exhibit A (Fully Projected), Schedule C-3, for the fully projected future test year depreciation reserve as of year-end.

**(c)(5) Statement of operating income, setting forth the operating revenues and expenses by detailed accounts – historic year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule B-2, for the historic year operating revenue and expenses.

**(c)(6) Description of any major changes in the operating or financial condition of the utility occurring between the date of the balance sheet at end of the historic year and filing date.**

None.

**SECTION 53.62 - FILING REQUIREMENTS**

**UGI UTILITIES, INC. – GAS DIVISION**

**Proposed Supplement No. 32 to UGI Gas Tariff Nos. 7 and 7S**

Information furnished pursuant to 52 Pa. Code, Section 53.62

§ 53.62. Additional information to be filed by gas utilities with gross annual intrastate operating revenues in excess of \$40 million seeking a change in base rates.

In addition to information otherwise required to be filed by a jurisdictional natural gas distributor with gross intrastate annual operating revenues in excess of \$40 million seeking a change in its base rates, each gas utility shall also file updates to the information required by § 53.64(c) (relating to filing requirements for natural gas distributors with gross intrastate annual operating revenues in excess of \$40 million). In the case of a gas utility purchasing gas as defined at § 53.61(a) (relating to purpose) from an affiliated interest, it shall also file updates to the information required at § 53.65 (relating to special provisions relating to natural gas distributors with gross intrastate annual operating revenues in excess of \$40 million with affiliated interests). These updates shall be made at the time the base rate case under 66 Pa.C.S. § 1308 (relating to voluntary changes in rates) is originally filed. Deficiencies in filing will be treated as set forth at § 53.51(c) (relating to general).

RESPONSE:

Please see the response to III-E-30.

**SECTION 53.53 - VALUATION**

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-1

Request:

Provide a corporate history (include the dates of original incorporation, subsequent mergers and/or acquisitions). Indicate all counties and cities and other governmental subdivisions to which service is provided (including service areas outside the state), and the total population in the area served.

Response:

UGI Utilities, Inc. began its modern corporate existence as part of a consolidation of a number of predecessor natural gas and electric public utilities into The United Gas Improvement Company, as approved by the Pennsylvania Public Utility Commission (“Commission”) on June 16, 1952 at Docket No. A.78264. In 1968, The United Gas Improvement Company changed its name to UGI Corporation. In 1971, UGI Corporation’s gas operations were consolidated into a gas division (“UGI Gas”) located in Reading, Pennsylvania. In January 2019, UGI Gas relocated its headquarters to Denver, Pennsylvania. UGI Corporation’s electric operations (“UGI Electric”) operates in a separate electric division headquartered in northeastern Pennsylvania. In 1992, as part of a further corporate restructuring, UGI Corporation changed its name to UGI Utilities, and became a wholly-owned subsidiary of a new holding company which adopted the name UGI Corporation.

UGI Utilities, Inc. increased its gas operations in 2006 and 2008 with the incorporation of two subsidiary gas utilities – UGI Penn Natural Gas, Inc. (“UGI PNG”) and UGI Central Penn Gas, Inc. (“UGI CPG”), respectively. UGI PNG began its operations following the close, on August 24, 2006, of UGI Corporation’s purchase of the natural gas distribution assets from the former PG Energy Division of Southern Union Company, as authorized by a Commission Order entered on August 18, 2006, at Docket No. A-120011F200. UGI CPG, formerly PPL Gas Utilities Corporation (“PPL Gas”), was acquired by UGI Utilities effective October 1, 2008, as authorized by a Commission Order entered on August 21, 2008, at Docket Nos. A-2008-2034045 et al. Prior to that acquisition, PPL Gas itself was the result of several mergers and acquisitions authorized by the Commission. See, e.g., Joint application of PPL Gas Utilities Corp., North Penn Gas Company, and PFG Gas, Inc., Docket Nos. A-125127, et al. (Order entered July 12, 2004); Application of Allied Gas Company et al., Docket No. A-120650F002 (order approving merger and restructuring entered January 27, 1995).

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-1 (Continued)

In accordance with authority granted in a Commission Opinion and Order entered on September 20, 2018 at Docket Nos. A-2018-3000381 et seq., UGI PNG and UGI CPG merged into UGI Gas effective October 1, 2018. The former service territories of UGI PNG, UGI Gas and UGI CPG were organized into the North, South and Central Rate Districts of UGI Gas, respectively. By a Commission Opinion and Order entered on October 4, 2019 at Docket Nos. R-2018-3006814 et seq., the Commission approved UGI Gas's proposal to eliminate the Rate District structure and move most rate classes to uniform distribution rates for a single UGI Gas service territory encompassing the aggregate service territory of the former North, South, and Central Rate Districts.

The list of communities served by UGI Gas is set forth in its tariff provided in this rate filing and which is available on the Commission's website at: <https://www.puc.pa.gov/filing-resources/tariffs/natural-gas-tariffs/>. UGI Gas provides natural gas distribution service to approximately 672,000 residential, commercial and industrial natural gas customers located in 46 of Pennsylvania's total 67 counties and spanning more than 700 municipalities. The populations for each of the municipalities served, based on U.S. census data, is available at the Penn State Pennsylvania State Data Center website at: <https://pasdc.hbg.psu.edu/Data/Census2010/tabid/1489/Default.aspx>. UGI Gas also provides natural gas service to approximately 500 customers in one Maryland County under authority granted by the Maryland Public Service Commission.

UGI Electric can trace its origins to the 1925 acquisition by UGI of the American Gas Co., which owned the Luzerne County Gas and Electric Corporation. In 1953, as authorized by a Certificate of Public Convenience issued by the Commission on June 16, 1952, at Docket No. A.78264, all of UGI's Pennsylvania public utility subsidiaries, including the Luzerne County Gas and Electric Company, were merged into UGI. In 1967, UGI acquired the Harney's Lake Light Company, whose 113 square mile service territory, along with the electric service territory of the former Luzerne County Gas and Electric Corporation, comprise UGI Electric's current service territory. UGI Electric provides electric distribution service to approximately 62,000 residential, commercial, and industrial electric customers in Luzerne and Wyoming Counties and 35 municipalities.



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-2

Request:

Provide a schedule showing the measures of value and the rates of return at the original cost and trended original cost measures of value at the spot, three-year and five-year average price levels. All claims made on this exhibit should be cross-referenced to appropriate exhibits. Provide a schedule similar to the one listed above, reflecting respondent's final claim in its previous rate case.

Response:

The Company's claim is based on original cost measures of value. Since Pennsylvania state law mandates the use of original cost for ratemaking, a trended cost study was not prepared.

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule A-1.

Refer to Attachment I-A-2 for similar schedules from the previous rate case.

Prepared by or under the supervision of: Christopher R. Brown

**UGI Utilities, Inc. - Gas Division**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2019**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: S. F. Anzaldo**  
Page 1 of 1

**Summary of Measure of Value and Revenue Increase**

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2019 At Present Rates	[ 4 ] Year Ended September 30, 2019 At Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 3,620,724		\$ 3,620,724
2	Accumulated Depreciation		C-3	(1,023,715)		(1,023,715)
3	Net Plant in service	L 1 + L 2		2,597,009	-	2,597,009
4	Working Capital		C-4	39,364		39,364
5	Gas Inventory		C-5	23,026		23,026
6	Accumulated Deferred Income Taxes		C-6	(569,005)		(569,005)
7	Customer Deposits		C-7	(22,290)		(22,290)
8	Materials & Supplies		C-8	14,601		14,601
9	<b>TOTAL RATE BASE</b>	Sum L 3 to L 8		<b>\$ 2,082,705</b>	<b>\$ -</b>	<b>\$ 2,082,705</b>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 540,891	\$ 587	\$ 541,478
11	Gas Cost Revenue		D-5	299,508		299,508
12	Other Operating Revenues		D-5	9,180		9,180
13	<b>Total Revenues</b>	Sum L 10 to L 12		<b>849,579</b>	<b>587</b>	<b>850,166</b>
14	Operating Expenses		D	(632,429)	(9)	(632,438)
15	<b>OIBIT</b>	L 13 + L 14		<b>217,150</b>	<b>578</b>	<b>217,728</b>
16	Pro Forma Income Tax at Present Rates		D-33	(46,780)		(46,946)
17	Pro Forma Income Tax on Revenue Increase		D-33		(167)	(46,946)
18	<b>NET OPERATING INCOME</b>	Sum L 15 to L 17		<b>\$ 170,371</b>	<b>\$ 411</b>	<b>\$ 170,782</b>
19	<b>RATE OF RETURN</b>	L 18 / L 9		<b>8.1803%</b>		<b>8.2000%</b>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 3		8.1803%		
21	Rate of Return Required		B-7	8.2000%		
22	Change in ROR	L 21 - L 20		0.0197%		
23	Change in Operating Income	L 22 * L 9		\$ 411		
24	Gross Revenue Conversion Factor		D-35	1.428398		
25	Change in Revenues	L 23 * L 24		\$ 587		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			0.11%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			0.07%	

**UGI Utilities, Inc. - Gas Division**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2020**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: S. F. Anzaldo**  
Page 1 of 1

**Summary of Measure of Value and Revenue Increase**

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2020 At Present Rates	[ 4 ] Year Ended September 30, 2020 At Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 3,948,368		\$ 3,948,368
2	Accumulated Depreciation		C-3	(1,085,297)		(1,085,297)
3	Net Plant in service	L 1 + L 2		2,863,071	-	2,863,071
4	Working Capital		C-4	40,988		40,988
5	Gas Inventory		C-5	23,026		23,026
6	Accumulated Deferred Income Taxes		C-6	(594,320)		(594,320)
7	Customer Deposits		C-7	(22,290)		(22,290)
8	Materials & Supplies		C-8	14,601		14,601
9	TOTAL RATE BASE	Sum L 3 to L 8		<u>\$ 2,325,076</u>	<u>\$ -</u>	<u>\$ 2,325,076</u>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 574,694	\$ 29,255	\$ 603,949
11	Gas Cost Revenue		D-5	283,086		283,086
12	Other Operating Revenues		D-5	6,297		6,297
13	Total Revenues	Sum L 10 to L 12		<u>864,077</u>	<u>29,255</u>	<u>893,332</u>
14	Operating Expenses		D	<u>(664,040)</u>	<u>(452)</u>	<u>(664,492)</u>
15	OIBIT	L 13 + L 14		200,037	28,803	228,840
16	Pro Forma Income Tax at Present Rates		D-33	(33,582)		(41,903)
17	Pro Forma Income Tax on Revenue Increase		D-33		(8,321)	(41,903)
18	NET OPERATING INCOME	Sum L 15 to L 17		<u>\$ 166,455</u>	<u>\$ 20,481</u>	<u>\$ 186,937</u>
19	RATE OF RETURN	L 18 / L 9		<u>7.1591%</u>		<u>8.0400%</u>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 3		7.1591%		
21	Rate of Return Required		B-7	<u>8.0400%</u>		
22	Change in ROR	L 21 - L 20		<u>0.8809%</u>		
23	Change in Operating Income	L 22 * L 9		\$ 20,481		
24	Gross Revenue Conversion Factor		D-35	<u>1.428398</u>		
25	Change in Revenues	L 23 * L 24		<u>\$ 29,255</u>		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			<u>5.09%</u>	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			<u>3.39%</u>	

**UGI Utilities, Inc. - Gas Division**  
**Before the Pennsylvania Public Utility Commission**  
**Fully Projected Future Period - 12 Months Ended September 30, 2021**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: S. F. Anzaldo**  
Page 1 of 1

**Summary of Measure of Value and Revenue Increase**

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2021 At Present Rates	[ 4 ] Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 4,324,364		\$ 4,324,364
2	Accumulated Depreciation		C-3	(1,160,183)		(1,160,183)
3	Net Plant in service	L 1 + L 2		3,164,181	-	3,164,181
4	Working Capital		C-4	42,331		42,331
5	Gas Inventory		C-5	23,026		23,026
6	Accumulated Deferred Income Taxes		C-6	(605,130)		(605,130)
7	Customer Deposits		C-7	(22,290)		(22,290)
8	Materials & Supplies		C-8	14,601		14,601
9	TOTAL RATE BASE	Sum L 3 to L 8		<u>\$ 2,616,719</u>	<u>\$ -</u>	<u>\$ 2,616,719</u>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 582,003	\$ 74,551	\$ 656,554
11	Gas Cost Revenue		D-5	287,991		287,991
12	Other Operating Revenues		D-5	6,297		6,297
13	Total Revenues	Sum L 10 to L 12		<u>876,291</u>	<u>74,551</u>	<u>950,842</u>
14	Operating Expenses		D-1	<u>(692,044)</u>	<u>(1,153)</u>	<u>(693,197)</u>
15	OIBIT	L 13 + L 14		184,247	73,398	257,645
16	Pro Forma Income Tax at Present Rates		D-33	(28,410)		(49,616)
17	Pro Forma Income Tax on Revenue Increase		D-33		<u>(21,207)</u>	<u>(49,616)</u>
18	NET OPERATING INCOME	Sum L 15 to L 17		<u>\$ 155,837</u>	<u>\$ 52,192</u>	<u>\$ 208,029</u>
19	RATE OF RETURN	L 18 / L 9		<u>5.9554%</u>		<u>7.9500%</u>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 3		5.9554%		
21	Rate of Return Required		B-7	<u>7.9500%</u>		
22	Change in ROR	L 21 - L 20		<u>1.9946%</u>		
23	Change in Operating Income	L 22 * L 9		\$ 52,192		
24	Gross Revenue Conversion Factor		D-35	<u>1.428398</u>		
25	Change in Revenues	L 23 * L 24		<u>\$ 74,551</u>		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			<u>12.81%</u>	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			<u>8.51%</u>	

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-3

Request:

Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of all factors which were considered in arriving at estimates of service life and dispersion by account. Provide dates of all field inspections and facilities visited.

Response:

The depreciation methods used in calculating annual and accrued depreciation and the factors considered in service life estimation are discussed in Exhibit C (Future) in "Part II. Methods Used in the Determination of Annual and Accrued Depreciation" and Part III. Service Life Considerations". There have been no changes in the survivor curve estimates nor the method of depreciation. These are the same survivor curve estimates and method of depreciation as the prior gas base rate case filing in Docket R-2019-3015162.

Field trips and facilities visited are presented in Exhibit C (Future) in Part III in the section titled "Field Trips," beginning on page III-2.

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-4

Request:

Set forth, in exhibit form, charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.

- a. If any utility plant was excluded from the measures of value because it was deemed not to be “used and useful” in the public service, supply a detailed description of each item of property.
- b. Provide the surviving original cost at test year end by vintage by account and include applicable depreciation reserves and annuities.
  - (i) These calculations should be provided for plant in service as well as other categories of plant, including, but not limited, to contributions in aid of construction, customers’ advances for construction, and anticipated retirements associated with any construction work in progress claims (if applicable).

Response:

Charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis was utilized is presented in Exhibit C (Future) in Part VI of the report.

- a. No utility plant recorded in Account 101, Gas plant in Service, was excluded from the measures of value. However, gas plant owned by UGI Utilities, Inc. that serve approximately 500 Maryland customers in Frederick County, Maryland near the Pennsylvania-Maryland state border were excluded from this filing. The depreciation reserve and depreciation associated with Maryland gas plant also were excluded from this filing.
- b. The surviving original cost at the end of the historical year September 30, 2021, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit C (Historic). The tabulations are presented in Part III of the report in the section titled “Depreciation Calculations.”

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-4 (Continued)

The surviving original cost at the end of the future test year September 30, 2022, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit C (Future). The tabulations are presented in Part VII of the report in the section titled “Depreciation Calculations.”

The surviving original cost at the end of the fully projected future test year September 30, 2023, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit C (Fully Projected). The tabulations are presented in Part III of the report in the section titled “Depreciation Calculations.”

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-5

Request:

Provide a comparison of respondent's calculated depreciation reserve v. book reserve by account at the end of the test year.

Response:

Comparisons of the calculated accrued depreciation v. the book reserve are set forth in Attachment I-A-5.

Prepared by or under the supervision of: John F. Wiedmayer



**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2021**

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b><u>GAS PLANT</u></b>		
<b>PRODUCTION PLANT</b>		
305 MANUFACTURED GAS PLANT SITE REMEDIATION	0	100,374
325.2 PRODUCING LEASEHOLDS	152,969	162,069
325.4 RIGHTS-OF-WAY	23,166	29,681
328 FIELD MEASURING AND REGULATING STATION STRUCTURES	1,263	1,263
329 OTHER STRUCTURES	44,784	44,783
330 PRODUCING GAS WELLS - WELL CONSTRUCTION	18,208	18,209
331 PRODUCING GAS WELLS - WELL EQUIPMENT	24,442	24,441
332 FIELD LINES	422,567	724,840
334 FIELD MEASURING AND REGULATING STATION EQUIPMENT	48,477	84,547
335 DRILLING AND CLEANING EQUIPMENT	45,279	49,463
337 OTHER EQUIPMENT	11,062	11,062
<b>TOTAL PRODUCTION PLANT</b>	<b>792,217</b>	<b>1,250,732</b>
<b>STORAGE PLANT</b>		
352.01 WELL CONSTRUCTION	0	(51,904)
<b>TOTAL STORAGE PLANT</b>	<b>0</b>	<b>(51,904)</b>
<b>TRANSMISSION PLANT</b>		
365.2 RIGHTS-OF-WAY	514,665	525,023
366 STRUCTURES AND IMPROVEMENTS	127,104	145,020
367 MAINS	18,121,114	21,426,794
369 MEASURING AND REGULATING STATION EQUIPMENT	3,230,877	3,870,923
370 COMMUNICATION EQUIPMENT	1,627,017	2,030,369
371 OTHER EQUIPMENT	112,355	128,356
371.1 TESTING EQUIPMENT	142,490	147,396
<b>TOTAL TRANSMISSION PLANT</b>	<b>23,875,622</b>	<b>28,273,881</b>
<b>DISTRIBUTION PLANT</b>		
374.2 RIGHTS-OF-WAY	1,150,597	1,334,545
375 STRUCTURES AND IMPROVEMENTS	2,652,552	3,158,924
376.1 MAINS - PRIMARILY STEEL	174,431,489	175,899,219
376.2 MAINS - CAST IRON	1,705,295	268,125
376.3 MAINS - PLASTIC	260,931,499	274,291,463
376.5 MAINS - PRIMARILY WROUGHT IRON	261,387	276,113
376.7 REG AFUDC	132,209	134,963
378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	26,080,708	26,330,599
379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	7,563,156	7,762,976
380 SERVICES	365,285,679	367,843,768
381 METERS	52,222,848	52,248,571
381.1 METERS - ERTS	17,263,860	18,643,419
382 METER INSTALLATIONS	33,323,991	33,970,679
383 HOUSE REGULATORS	5,057,765	5,524,689
384 HOUSE REGULATOR INSTALLATIONS	7,441,873	8,437,825
385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	14,585,215	16,636,654
386 OTHER PROPERTY ON CUSTOMERS PREMISES	36,346	(104,269)
386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	566,726	648,577
386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	22,545	24,720
387 OTHER EQUIPMENT	2,461,974	2,825,275
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE	1,461,505	1,464,426
<b>TOTAL DISTRIBUTION PLANT</b>	<b>974,639,219</b>	<b>997,621,261</b>

**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2021**

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b>GENERAL PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	35,887,089	39,865,784
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,186,935	800,633
391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	56,396	35,807
391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	732,420	653,878
391.4 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	4,378,297	4,336,112
392.1 TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S	535,124	666,930
392.2 TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS	5,167,221	5,971,127
392.3 TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES	864,299	882,856
392.4 TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS	1,136,288	1,315,349
392.5 TRANSPORTATION EQUIPMENT - TRAILERS	564,914	644,625
393 STORES EQUIPMENT	5,436	5,453
394 TOOLS, SHOP AND GARAGE EQUIPMENT	12,115,907	11,576,680
395 LABORATORY EQUIPMENT	93,323	90,041
396 POWER OPERATED EQUIPMENT	1,827,492	1,924,973
397 COMMUNICATION EQUIPMENT	467,805	373,200
398 MISCELLANEOUS EQUIPMENT	1,220,206	649,081
399 OTHER TANGIBLE PROPERTY	16,032	16,032
<b>TOTAL GENERAL PLANT</b>	<b>66,255,184</b>	<b>69,808,561</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>	<b>1,065,562,242</b>	<b>1,096,902,531</b>
<b>OTHER UTILITY PLANT*</b>		
<b>COMMON PLANT</b>		
301 ORGANIZATION (NONDEPRECIABLE)	0	0
389.1 LAND AND LAND RIGHTS - LAND (NONDEPRECIABLE)	0	0
390.1 STRUCTURES AND IMPROVEMENTS	2,310,553	1,929,837
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY		10,628
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	928,374	780,636
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	354,490	213,695
392.1 TRANSPORTATION EQUIPMENT - CARS	65,227	71,637
398 MISCELLANEOUS EQUIPMENT	4,195	669
<b>TOTAL COMMON PLANT</b>	<b>3,662,839</b>	<b>3,007,102</b>
<b>INFORMATION SERVICES (IS)</b>		
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	33,772	33,595
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	13,203,200	12,938,845
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	2,999,625	1,464,953
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	19,742,596	18,682,455
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	39,910,084	39,050,337
<b>TOTAL INFORMATION SERVICES</b>	<b>75,889,277</b>	<b>72,170,185</b>
<b>TOTAL OTHER UTILITY PLANT</b>	<b>79,552,116</b>	<b>75,177,287</b>

\*AMOUNTS SHOWN FOR OTHER UTILITY PLANT ARE PRIOR TO ALLOCATION.

**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2022**

<b>ACCOUNT</b>	<b>CALCULATED ACCRUED DEPRECIATION</b>	<b>BOOK RESERVE</b>
(1)	(2)	(3)
<b><u>GAS PLANT</u></b>		
<b>PRODUCTION PLANT</b>		
305 MANUFACTURED GAS PLANT SITE REMEDIATION	0	92,158
325.2 PRODUCING LEASEHOLDS	153,496	162,102
325.4 RIGHTS-OF-WAY	23,364	29,699
328 FIELD MEASURING AND REGULATING STATION STRUCTURES	1,263	1,263
329 OTHER STRUCTURES	44,784	44,783
330 PRODUCING GAS WELLS - WELL CONSTRUCTION	18,208	18,209
331 PRODUCING GAS WELLS - WELL EQUIPMENT	24,442	24,441
332 FIELD LINES	426,614	725,816
334 FIELD MEASURING AND REGULATING STATION EQUIPMENT	49,355	84,969
335 DRILLING AND CLEANING EQUIPMENT	45,708	49,483
337 OTHER EQUIPMENT	11,062	11,062
<b>TOTAL PRODUCTION PLANT</b>	<b>798,296</b>	<b>1,243,985</b>
<b>STORAGE PLANT</b>		
352.01 WELL CONSTRUCTION	0	(35,934)
<b>TOTAL STORAGE PLANT</b>	<b>0</b>	<b>(35,934)</b>
<b>TRANSMISSION PLANT</b>		
365.2 RIGHTS-OF-WAY	524,565	536,830
366 STRUCTURES AND IMPROVEMENTS	129,204	146,334
367 MAINS	18,596,142	21,888,205
369 MEASURING AND REGULATING STATION EQUIPMENT	3,322,046	3,965,987
370 COMMUNICATION EQUIPMENT	1,721,813	2,140,531
371 OTHER EQUIPMENT	114,068	129,565
371.1 TESTING EQUIPMENT	147,789	152,562
<b>TOTAL TRANSMISSION PLANT</b>	<b>24,555,627</b>	<b>28,960,014</b>
<b>DISTRIBUTION PLANT</b>		
374.2 RIGHTS-OF-WAY	1,197,014	1,380,979
375 STRUCTURES AND IMPROVEMENTS	2,733,983	3,255,821
376.1 MAINS - PRIMARILY STEEL	182,958,013	186,259,998
376.2 MAINS - CAST IRON	1,441,920	17,698
376.3 MAINS - PLASTIC	280,626,275	290,557,616
376.5 MAINS - PRIMARILY WROUGHT IRON	249,721	243,917
376.7 REG AFUDC	396,626	398,720
378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	27,887,083	26,618,827
379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	8,115,185	8,409,477
380 SERVICES	391,077,964	396,104,279
381 METERS	54,906,726	55,211,410
381.1 METERS - ERTS	17,887,217	19,365,192
382 METER INSTALLATIONS	35,073,318	36,058,830
383 HOUSE REGULATORS	5,226,814	6,698,745
384 HOUSE REGULATOR INSTALLATIONS	7,770,913	8,896,752
385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	15,368,431	17,515,028
386 OTHER PROPERTY ON CUSTOMERS PREMISES	37,395	(94,200)
386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	580,438	663,828
386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	22,782	24,705
387 OTHER EQUIPMENT	2,567,882	2,932,388
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE	1,466,540	1,468,898
<b>TOTAL DISTRIBUTION PLANT</b>	<b>1,037,592,240</b>	<b>1,061,988,908</b>

UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION  
AND BOOK RESERVE AS OF SEPTEMBER 30, 2022

ACCOUNT	CALCULATED ACCRUED DEPRECIATION	BOOK RESERVE
(1)	(2)	(3)
<b>GENERAL PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	38,884,513	42,197,098
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,332,851	1,008,484
391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	69,293	48,200
391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	544,171	490,975
391.4 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	0	(42,186)
392.1 TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S	873,662	931,201
392.2 TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS	7,079,257	7,238,621
392.3 TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES	1,037,645	998,425
392.4 TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS	1,415,029	1,502,377
392.5 TRANSPORTATION EQUIPMENT - TRAILERS	650,525	688,700
393 STORES EQUIPMENT	6,318	6,326
394 TOOLS, SHOP AND GARAGE EQUIPMENT	13,210,770	12,823,468
395 LABORATORY EQUIPMENT	115,211	112,149
396 POWER OPERATED EQUIPMENT	2,263,165	2,417,013
397 COMMUNICATION EQUIPMENT	482,894	401,771
398 MISCELLANEOUS EQUIPMENT	1,234,854	889,505
399 OTHER TANGIBLE PROPERTY	0	0
<b>TOTAL GENERAL PLANT</b>	<b>69,200,158</b>	<b>71,712,127</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>	<b>1,132,146,321</b>	<b>1,163,869,100</b>
<b>OTHER UTILITY PLANT*</b>		
<b>COMMON PLANT</b>		
301 ORGANIZATION (NONDEPRECIABLE)	0	0
389.1 LAND AND LAND RIGHTS - LAND (NONDEPRECIABLE)	0	0
390.1 STRUCTURES AND IMPROVEMENTS	3,168,852	2,943,559
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	0	0
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,146,765	1,014,315
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	596,714	516,102
392.1 TRANSPORTATION EQUIPMENT - CARS	66,459	71,637
398 MISCELLANEOUS EQUIPMENT	6,992	3,880
<b>TOTAL COMMON PLANT</b>	<b>4,985,782</b>	<b>4,549,493</b>
<b>INFORMATION SERVICES (IS)</b>		
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	28,752	28,532
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	12,822,771	12,323,496
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	4,199,490	2,950,328
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	11,334,932	10,614,784
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	43,333,019	42,466,804
<b>TOTAL INFORMATION SERVICES</b>	<b>71,718,964</b>	<b>68,383,944</b>
<b>TOTAL OTHER UTILITY PLANT</b>	<b>76,704,746</b>	<b>72,933,437</b>

\*AMOUNTS SHOWN FOR OTHER UTILITY PLANT ARE PRIOR TO ALLOCATION.

**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2023**

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b><u>GAS PLANT</u></b>		
<b>PRODUCTION PLANT</b>		
305 MANUFACTURED GAS PLANT SITE REMEDIATION	0	69,118
325.2 PRODUCING LEASEHOLDS	153,961	162,135
325.4 RIGHTS-OF-WAY	23,572	29,717
328 FIELD MEASURING AND REGULATING STATION STRUCTURES	1,263	1,263
329 OTHER STRUCTURES	44,784	44,783
330 PRODUCING GAS WELLS - WELL CONSTRUCTION	18,208	18,209
331 PRODUCING GAS WELLS - WELL EQUIPMENT	24,442	24,441
332 FIELD LINES	430,575	726,792
334 FIELD MEASURING AND REGULATING STATION EQUIPMENT	50,261	85,373
335 DRILLING AND CLEANING EQUIPMENT	46,127	49,503
337 OTHER EQUIPMENT	11,062	11,062
<b>TOTAL PRODUCTION PLANT</b>	<b>804,255</b>	<b>1,222,396</b>
<b>STORAGE PLANT</b>		
352.01 WELL CONSTRUCTION	0	(35,934)
<b>TOTAL STORAGE PLANT</b>	<b>0</b>	<b>(35,934)</b>
<b>TRANSMISSION PLANT</b>		
365.2 RIGHTS-OF-WAY	534,302	548,463
366 STRUCTURES AND IMPROVEMENTS	130,987	147,551
367 MAINS	19,067,488	22,345,709
369 MEASURING AND REGULATING STATION EQUIPMENT	3,412,897	4,059,205
370 COMMUNICATION EQUIPMENT	1,812,740	2,244,418
371 OTHER EQUIPMENT	115,717	130,718
371.1 TESTING EQUIPMENT	152,800	157,623
<b>TOTAL TRANSMISSION PLANT</b>	<b>25,226,931</b>	<b>29,633,687</b>
<b>DISTRIBUTION PLANT</b>		
374.2 RIGHTS-OF-WAY	1,242,390	1,427,058
375 STRUCTURES AND IMPROVEMENTS	2,812,687	3,342,997
376.1 MAINS - PRIMARILY STEEL	191,449,358	196,479,099
376.2 MAINS - CAST IRON	1,173,596	(195,436)
376.3 MAINS - PLASTIC	303,764,730	309,834,305
376.5 MAINS - PRIMARILY WROUGHT IRON	237,990	217,498
376.7 REG AFUDC	661,044	662,477
378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	31,357,470	28,860,503
379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	8,642,593	9,033,447
380 SERVICES	418,142,543	425,136,757
381 METERS	57,991,662	58,594,291
381.1 METERS - ERTS	18,464,024	19,970,658
382 METER INSTALLATIONS	36,950,584	38,252,514
383 HOUSE REGULATORS	5,393,269	7,112,846
384 HOUSE REGULATOR INSTALLATIONS	8,098,070	9,351,213
385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	16,132,073	18,366,647
386 OTHER PROPERTY ON CUSTOMERS PREMISES	38,381	(84,503)
386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	593,776	678,603
386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	23,000	24,705
387 OTHER EQUIPMENT	2,670,333	3,034,573
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE	1,471,359	1,473,072
<b>TOTAL DISTRIBUTION PLANT</b>	<b>1,107,310,932</b>	<b>1,131,573,324</b>

**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2023**

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b>GENERAL PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	41,954,408	44,037,136
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,504,592	1,234,708
391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	86,937	65,601
391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	43,755	(17,170)
391.4 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	0	(42,186)
392.1 TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S	1,325,434	1,327,881
392.2 TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS	9,706,311	9,350,144
392.3 TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES	1,249,307	1,181,222
392.4 TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS	1,755,935	1,790,761
392.5 TRANSPORTATION EQUIPMENT - TRAILERS	769,842	772,421
393 STORES EQUIPMENT	7,197	7,199
394 TOOLS, SHOP AND GARAGE EQUIPMENT	14,506,746	14,190,646
395 LABORATORY EQUIPMENT	137,100	134,257
396 POWER OPERATED EQUIPMENT	2,673,695	2,887,895
397 COMMUNICATION EQUIPMENT	543,344	478,901
398 MISCELLANEOUS EQUIPMENT	1,344,499	1,187,196
399 OTHER TANGIBLE PROPERTY	0	0
<b>TOTAL GENERAL PLANT</b>	<b>77,609,102</b>	<b>78,586,612</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>	<b>1,210,951,220</b>	<b>1,240,980,085</b>
<b><u>OTHER UTILITY PLANT*</u></b>		
<b>COMMON PLANT</b>		
301 ORGANIZATION (NONDEPRECIABLE)	0	0
389.1 LAND AND LAND RIGHTS - LAND (NONDEPRECIABLE)	0	0
390.1 STRUCTURES AND IMPROVEMENTS	4,021,040	3,951,151
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	0	0
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,357,793	1,240,166
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	787,676	737,137
392.1 TRANSPORTATION EQUIPMENT - CARS	67,474	71,637
398 MISCELLANEOUS EQUIPMENT	9,789	7,091
<b>TOTAL COMMON PLANT</b>	<b>6,243,772</b>	<b>6,007,182</b>
<b>INFORMATION SERVICES (IS)</b>		
390.1 STRUCTURES AND IMPROVEMENTS - NEW READING DATA CENTER	5,200	5,200
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	7,008	6,523
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	10,195,242	9,506,822
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	5,399,276	4,435,984
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	16,600,242	15,462,616
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	49,282,264	48,452,565
<b>TOTAL INFORMATION SERVICES</b>	<b>81,489,232</b>	<b>77,869,710</b>
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS - UNITE ADC	1,372,430	1,945,443
<b>TOTAL OTHER UTILITY PLANT</b>	<b>89,105,434</b>	<b>85,822,335</b>

\*AMOUNTS SHOWN FOR OTHER UTILITY PLANT ARE PRIOR TO ALLOCATION.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-6

Request:

Supply a schedule by account and depreciable group showing the survivor curve and annual accrual rate estimated to be appropriate:

- a. For the purposes of this filing.
- b. For the purposes of the most recent rate increase filing prior to the current proceedings.
  - (i) Supply a comprehensive statement of any changes made in method of depreciation and in the selection of average service lives and dispersion.

Response:

- a. Refer to Table 1 in Exhibit C (Historic), Table 1 in Exhibit C (Future) and Table 1 in Exhibit C (Fully Projected) for schedules showing the estimated survivor curves and accrual rates by account and depreciable group.
- b. Refer to Attachment I-A-6 for the survivor curves and annual accrual rates estimated to be appropriate in the most recent prior rate filing. UGI's most recent prior base rate case was filed in January 2020 at Docket No. R-2019-3015162.
  - (i). The depreciation methods and procedures used in this filing are the same as those used in the previous filing.

The survivor curve estimates are based on a service life study as described in Part III of Exhibit C (Future). The service life study was updated to include company data through fiscal-year end 2017, i.e., September 30, 2017. The service lives and survivor curves were used to calculate depreciation rates as of September 30, 2021, September 30, 2022 and September 30, 2023. The charts and life tables supporting the updated service life study are presented in Part VI of Exhibit C (Future).

The previous rate filing for UGI Gas was submitted in January 2020 using a fully projected future test year ending September 30, 2021. The service life study in the 2020 filing was based on data through September 30, 2017 which is the same as the current 2022 base rate case filing. The

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-6 (Continued)

Company updates its service life study every five years and submits a report to the Pennsylvania Public Utility Commission (PA PUC) in accordance with 52 Pa. Code Chapter 73.5 and 73.6. UGI submits Annual Depreciation Reports each year in accordance with 52 Pa. Code Chapter 73.3 and 73.4.

The purpose of the regulations set forth in 52 Pa. Code Chapter 73 is to establish uniform and industry-wide reporting requirements designed to improve the Commission's ability to monitor on a regular basis the depreciation and capital planning of utilities subject to Commission jurisdiction.

Prepared by or under the supervision of: John F. Wiedmayer



UGI UTILITIES, INC. - GAS DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND  
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2021

ACCOUNT		PROBABLE RETIREMENT YEAR	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	FUTURE BOOK ACCRUALS	CALCULATED ANNUAL ACCRUAL	
(1)		(2)	(3)	(4)	(5)	(6)	RATE (7)	AMOUNT (8)
<b>GAS PLANT</b>								
<b>PRODUCTION PLANT</b>								
305	MANUFACTURED GAS PLANT SITE REMEDIATION		FULLY ACCRUED *	0	(14,821)	14,821	-	0
325.2	PRODUCING LEASEHOLDS		55 - S0.5	163,100	162,070	1,030	0.02	35
325.4	RIGHTS-OF-WAY		60 - R1	30,277	29,681	596	0.06	19
328	FIELD MEASURING AND REGULATING STATION STRUCTURES		FULLY ACCRUED	1,263	1,263	0	-	0
329	OTHER STRUCTURES		FULLY ACCRUED	44,785	44,783	2	-	0
330	PRODUCING GAS WELLS - WELL CONSTRUCTION		FULLY ACCRUED	18,209	18,210	(1)	-	0
331	PRODUCING GAS WELLS - WELL EQUIPMENT		FULLY ACCRUED	24,441	24,441	0	-	0
332	FIELD LINES		47 - L0	750,689	724,803	25,886	0.13	1,004
334	FIELD MEASURING AND REGULATING STATION EQUIPMENT		24 - O3	89,725	79,835	9,890	0.68	614
335	DRILLING AND CLEANING EQUIPMENT		30 - S0.5	49,604	49,461	143	0.04	19
337	OTHER EQUIPMENT		FULLY ACCRUED	11,062	11,062	0	-	0
<b>TOTAL PRODUCTION PLANT</b>				<b>1,183,155</b>	<b>1,130,788</b>	<b>52,367</b>	<b>0.14</b>	<b>1,691</b>
<b>STORAGE PLANT</b>								
352.01	WELL CONSTRUCTION		FULLY ACCRUED *	0	(19,964)	19,964	-	0
<b>TOTAL STORAGE PLANT</b>				<b>0</b>	<b>(19,964)</b>	<b>19,964</b>	<b>-</b>	<b>0</b>
<b>TRANSMISSION PLANT</b>								
365.2	RIGHTS-OF-WAY		70 - R4	868,160	524,589	343,571	1.37	11,864
366	STRUCTURES AND IMPROVEMENTS		30 - R1	248,104	152,465	95,639	2.37	5,869
367	MAINS		70 - R3	38,518,031	21,416,849	17,101,182	1.17	450,280
369	MEASURING AND REGULATING STATION EQUIPMENT		49 - R2	6,170,122	3,869,009	2,301,113	1.53	94,608
370	COMMUNICATION EQUIPMENT		23 - R0.5	3,486,136	2,017,296	1,468,840	3.19	111,341
371	OTHER EQUIPMENT		35 - R2.5	140,637	128,216	12,421	0.88	1,232
371.1	TESTING EQUIPMENT		20 - R3	210,011	147,017	62,994	2.50	5,258
<b>TOTAL TRANSMISSION PLANT</b>				<b>49,641,201</b>	<b>28,255,441</b>	<b>21,385,760</b>	<b>1.37</b>	<b>680,452</b>
<b>DISTRIBUTION PLANT</b>								
374.2	RIGHTS-OF-WAY		75 - R3	3,345,151	1,331,872	2,013,279	1.29	43,109
375	STRUCTURES AND IMPROVEMENTS		50 - S0.5	5,325,825	3,175,277	2,150,548	1.55	82,425
376.1	MAINS - PRIMARILY STEEL		73 - R2.5	666,558,235	178,973,692	487,584,543	1.55	10,298,871
376.2	MAINS - CAST IRON	09-2027	65 - R1	2,120,235	1,607,538	512,697	4.38	92,836
376.3	MAINS - PLASTIC		67 - R3	1,394,503,742	272,754,820	1,121,748,922	1.65	22,959,642
376.5	MAINS - PRIMARILY WROUGHT IRON	09-2041	70 - R1	277,777	249,701	28,076	0.98	2,728
378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL		47 - S0	135,082,679	22,757,386	112,325,293	3.00	4,049,874
379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE		45 - R2	20,526,673	7,624,620	12,902,053	2.34	479,346
380	SERVICES		46 - S1	1,210,144,530	375,032,798	835,111,732	2.45	29,686,611
381	METERS		35 - R2	135,363,595	53,567,652	81,795,943	3.05	4,126,059
381.1	METERS - ERTS		17 - S3	24,795,395	18,587,662	6,207,733	3.47	860,676
382	METER INSTALLATIONS		46 - S1	103,822,867	34,632,496	69,190,371	2.40	2,491,094
383	HOUSE REGULATORS		46 - S1	10,031,117	5,383,231	4,647,886	2.07	207,150
384	HOUSE REGULATOR INSTALLATIONS		46 - S1	20,129,279	8,538,172	11,591,107	2.11	424,135
385	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT		45 - R2	35,423,963	16,561,456	18,862,507	2.02	716,158
386	OTHER PROPERTY ON CUSTOMERS PREMISES		46 - S1	337,967	162,947	175,020	2.14	7,236
386.1	OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS		45 - R2	953,218	648,053	305,165	1.60	15,260
386.2	OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS		25 - R3	24,705	24,435	270	0.32	80
386.3	OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATION			0	2,459	(2,459)	-	0

UGI UTILITIES, INC. - GAS DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND  
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2021

ACCOUNT	PROBABLE	SURVIVOR	ORIGINAL COST	BOOK	FUTURE	CALCULATED	
	RETIREMENT					CURVE	BOOK
(1)	YEAR	(3)	(4)	RESERVE	ACCRUALS	RATE	AMOUNT
	(2)			(5)	(6)	(7)	(8)
387 OTHER EQUIPMENT		35 - R2.5	4,694,731	2,822,326	1,872,405	2.12	99,344
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE		25 - SQ	1,490,664	1,464,426	26,238	0.30	4,400
<b>TOTAL DISTRIBUTION PLANT</b>			<b>3,774,952,348</b>	<b>1,005,903,019</b>	<b>2,769,049,329</b>	<b>2.03</b>	<b>76,647,034</b>
<b>GENERAL PLANT</b>							
390.1 STRUCTURES AND IMPROVEMENTS		VARIOUS**	118,970,668	39,334,613	79,636,055	4.08	4,850,432
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY		FULLY ACCRUED	85,127	85,127	0	-	0
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE		20 - SQ	9,368,117	1,891,024	7,477,093	4.96	464,597
391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT		10 - SQ	381,972	150,664	231,308	9.21	35,184
391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT		5 - SQ	941,444	699,201	242,243	15.12	142,305
392.1 TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S		8 - L2.5	2,794,893	791,523	2,003,370	14.10	394,153
392.2 TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS		10 - L2.5	11,471,719	3,185,999	8,285,720	11.35	1,301,842
392.3 TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES		12 - L3	9,927,448	1,277,563	8,649,885	9.49	942,535
392.4 TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS		12 - L3	4,738,700	1,088,599	3,650,101	9.00	426,717
392.5 TRANSPORTATION EQUIPMENT - TRAILERS		15 - L2	1,220,000	492,049	727,951	6.74	82,230
392.6 TRANSPORTATION EQUIPMENT - CAPITAL LEASES			2,311,284	1,501,131	810,153		1,592,799
393 STORES EQUIPMENT		20 - SQ	17,606	5,346	12,260	5.03	885
394 TOOLS, SHOP AND GARAGE EQUIPMENT		20 - SQ	33,238,792	11,502,644	21,736,148	5.40	1,793,913
395 LABORATORY EQUIPMENT		20 - SQ	437,779	90,041	347,738	5.05	22,099
396 POWER OPERATED EQUIPMENT		15 - L2	6,616,454	1,607,992	5,008,462	7.98	527,732
397 COMMUNICATION EQUIPMENT		10 - SQ	908,753	374,065	534,688	11.24	102,110
398 MISCELLANEOUS EQUIPMENT		15 - SQ	9,639,006	1,813,601	7,825,405	6.54	630,032
<b>TOTAL GENERAL PLANT</b>			<b>213,069,762</b>	<b>65,891,182</b>	<b>147,178,580</b>	<b>6.25</b>	<b>13,309,565</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>			<b>4,038,846,466</b>	<b>1,101,160,466</b>	<b>2,937,686,000</b>	<b>2.24</b>	<b>90,638,742</b>
<b>NONDEPRECIABLE PLANT</b>							
301 ORGANIZATION			166,477				
302 FRANCHISES AND CONSENTS			193,597				
303 MISCELLANEOUS INTANGIBLE PLANT			289,868				
304.1 LAND AND LAND RIGHTS - LAND			375,198				
304.2 LAND AND LAND RIGHTS - LAND RIGHTS			6,454				
325.1 PRODUCING LANDS			13,029				
325.5 OTHER LAND			1,134				
365.1 LAND			47,323				
374.1 LAND AND LAND RIGHTS - LAND			849,347				
374.2 LAND AND LAND RIGHTS - LAND RIGHTS			7,094,605				
389.1 LAND AND LAND RIGHTS - LAND			3,273,828				
389.2 LAND AND LAND RIGHTS - LAND RIGHTS			1,313				
<b>TOTAL NONDEPRECIABLE PLANT</b>			<b>12,312,173</b>				
<b>TOTAL GAS PLANT</b>			<b>4,051,158,639</b>				

UGI UTILITIES, INC. - GAS DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND  
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2021

ACCOUNT (1)	PROBABLE RETIREMENT YEAR (2)	SURVIVOR CURVE (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE BOOK ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL RATE (7)	CALCULATED ANNUAL ACCRUAL AMOUNT (8)
<b>OTHER UTILITY PLANT</b>							
<b>COMMON PLANT</b>							
301			138,964				
389.1			6,947,108				
390.1	01-2069	70 - R1	29,899,361	2,551,321	27,348,040	2.90	868,169
391		20 - SQ	1,056,425	423,817	632,608	6.20	65,535
391.1		5 - SQ	139,971	122,703	17,268	8.22	11,512
392.1		7 - L2.5	71,637	70,952	685	0.49	351
<b>TOTAL COMMON PLANT</b>			<b>38,253,466</b>	<b>3,168,793</b>	<b>27,998,601</b>	<b>2.48</b>	<b>945,567</b>
<b>TOTAL COMMON PLANT ALLOCATED TO ALL GAS DIVISIONS - 88.43%</b>			<b>33,827,540</b>	<b>2,802,164</b>	<b>24,759,162</b>		<b>836,165</b>
<b>INFORMATION SERVICES (IS)</b>							
391		20 - SQ	36,837	33,590	3,247	4.88	1,796
391.1		5 - SQ	17,035,480	10,967,724	6,067,756	19.05	3,244,980
391.2	09-2025	SQUARE	2,803,866	0	2,803,866	25.00	700,966
391.3		10 - SQ	48,271,125	10,856,600	37,414,525	9.89	4,774,407
391.4		15 - SQ	188,415,910	39,102,010	149,313,900	6.88	12,969,290
<b>TOTAL INFORMATION SERVICES</b>			<b>256,563,218</b>	<b>60,959,924</b>	<b>195,603,294</b>	<b>8.45</b>	<b>21,691,439</b>
<b>TOTAL INFORMATION SERVICES ALLOCATED TO ALL GAS DIVISIONS - 94.12%</b>			<b>241,477,301</b>	<b>57,375,480</b>	<b>184,101,820</b>		<b>20,415,982</b>
<b>READING SERVICE CENTER</b>							
390.1	06-2030	80 - R1.5	2,060,918	1,452,050	608,868	3.46	71,221
<b>LESS READING SERVICE CENTER ALLOCATED TO ELECTRIC DIVISION - 9.35%</b>			<b>192,696</b>	<b>135,766</b>	<b>56,929</b>		<b>6,659</b>
<b>EMPIRE YARD BUILDING</b>							
390.1	12-2047	80 - R1.5	14,623,728	7,817,467	6,806,261	3.06	447,414
<b>LESS EMPIRE BUILDING ALLOCATED TO ELECTRIC DIVISION - 13.04%</b>			<b>1,906,934</b>	<b>1,019,398</b>	<b>887,536</b>		<b>58,343</b>
<b>TOTAL OTHER UTILITY PLANT ALLOCATED TO ALL GAS DIVISIONS</b>			<b>273,205,211</b>	<b>59,022,480</b>	<b>207,916,517</b>		<b>21,187,145</b>
<b>TOTAL PLANT IN SERVICE</b>			<b>4,324,363,850</b>	<b>1,160,182,946</b>	<b>3,145,602,517</b>		<b>111,825,887</b>
<i>AMORTIZATION OF NEGATIVE NET SALVAGE</i>							<i>7,851,440</i>
<b>GRAND TOTAL</b>			<b>4,324,363,850</b>	<b>1,160,182,946</b>	<b>3,145,602,517</b>		<b>119,677,327</b>

\* ACCOUNTS 305 AND 352.01 HAVE NO REMAINING DEPRECIATION ACCRUALS. THE FUTURE ACCRUALS SHOWN ARE RELATED TO THE AMORTIZATION OF NEGATIVE NET SALVAGE.

\*\* SURVIVOR CURVES FOR ACCOUNT 390.1 ARE INTERIM SURVIVOR CURVES. INDIVIDUAL BUILDINGS ARE LIFE SPANNED.

\*\*\* CAPITAL LEASE AMOUNTS SHOWN IN ACCOUNT 392.6 ARE CALCULATED IN THE COMPANY'S CAPITAL LEASE AMORTIZATION SCHEDULES.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-7

Request:

Provide a table, showing the cumulative depreciated original cost by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:

- a. Year installed.
- b. Original cost--the total surviving cost associated with each installation year from all plant accounts.
- c. Calculated depreciation reserve--the calculated depreciation reserve associated with each installation year from all plant accounts.
- d. Depreciated original cost--(Column B minus Column C).
- e. Total--cumulation year by year of the figures from Column D.
- f. Column E divided by the total of the figure in Column D.

Response:

The information is provided in Exhibit C (Fully Projected) in Part III for the fully projected future test year ended September 30, 2023; in Exhibit C (Future) in Part V for the future test year ended September 30, 2022; and in Exhibit C (Historic) in Part III for the historic test year ended September 30, 2021. The information is set forth in the section titled "Cumulative Depreciated Original Cost."

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-8

Request:

Provide a description of the trending methodology which was utilized. Identify all indexes which were used (include all backup workpapers) and the reasons particular indexes were chosen. If indexes were spliced, indicate which years were utilized in any splices. If indexes were composited, show all supporting calculations. Include any analysis made to “test” the applicability of any indexes.

- a. Supply a comprehensive statement of any changes made in the selection of trend factors or in the methodology used in the current rate filing compared to the most recent previous rate filing.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-9

Request:

Provide an exhibit indicating the spot trended original cost at test year end by vintage by account and include applicable depreciation reserves. Include totals by account for all other trended measures of value.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-10

Request:

Supply an exhibit indicating the percentages of undepreciated original cost which were trended with the following indexes:

- a. Boeckh
- b. Handy-Whitman
- c. Indexes developed from suppliers' prices.
- d. Indexes developed from company records and company price histories.
- e. Construction equipment.
- f. Government statistical releases.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-11

Request:

Provide a table, showing the cumulative trended depreciated original cost (at the spot price level) by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:

- a. Year installed.
- b. Trended original cost (at the spot price level)--the total surviving cost associated with each installation year from all plant accounts.
- c. Trended calculated depreciation reserve--the calculated depreciation reserve associated with each installation year from all plant accounts.
- d. Depreciated trended original cost--(Column B minus Column C).
- e. Total--cumulation year by year of the figures from Column D.
- f. Column E divided by the total of the figures in Column D.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-12

Request:

If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

Response:

No claim is being made for construction work in progress.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-13

Request:

If a claim is made for non-revenue producing construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

Response:

No claim is being made for non-revenue producing construction work in progress.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-14

Request:

If a claim is made for plant held for future use, supply the following

- a. A brief description of the plant or land site and its cost.
- b. Expected date of use for each item claimed.
- c. Explanation as to why it is necessary to acquire each item in advance of its date of use.
- d. Date when each item was acquired.
- e. Date when each item was placed in plant held for future use.

Response:

No claim is being made for plant held for future use.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-15

Request:

If materials and supplies comprise part of the cash working capital claim, attach an exhibit showing the actual book balances for materials and supplies by month for the thirteen months prior to the end of the test year. Explain any abrupt changes in monthly balances.

[Explain method of determining claim if other than that described above.]

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-8.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-16

Request:

If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc.

[Explain the method of determining claim if other than that described above.]

Response:

Please refer to Attachment SDR-RR-45. The fuel represents gas inventory stored underground.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-17

Request:

Regardless of whether a claim for net negative or positive salvage is made, attach an exhibit showing gross salvage, cost of removal, and net salvage for the test year and four previous years by account.

Response:

The information related to the historic test year is presented in Part IV of Exhibit C (Historic) in the section titled “Experienced Net Salvage.” The information related to the future test year is set forth in Part VIII of Exhibit C (Future) in the section titled “Experienced and Estimated Net Salvage.” The information related to the fully projected future test year is set forth in Part IV of Exhibit C (Fully Projected) in the section titled “Experienced and Estimated Net Salvage.”

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2022

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I-A-18

Request:

Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measures of value.

Response:

All measures of value have been fully disclosed in UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedules A-1 and C-1 through C-8, as well as the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-C - Valuation - Gas Utilities  
Delivered on January 28, 2022

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I-C-1

Request:

Provide, with respect to the scope of operations of the utility, a description of all property, including an explanation of the system's operation, and all plans for any significant future expansion, modification, or other alteration of facilities.

This description should include, but not be limited to the following:

- a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.
- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company's service area.
- c. Explain how respondent obtains its gas supply, as follows:
  - (i) Explain how respondent stores or manufactures gas; if applicable.
  - (ii) State whether the company has peak shaving facilities.
  - (iii) Provide details of coal-gasification programs, if any.
  - (iv) Describe the potential for emergency purchases of gas.
  - (v) Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).
  - (vi) Provide the amount of gas in MCF supplied from company-owned wells during the test year.
- d. Provide plans for future gas supply, as follows:
  - (i) Supply details of anticipated gas supply from respondent's near-term development of gas wells, if any.
  - (ii) Provide gas supply agreements and well development ventures and identify the parties thereto.



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-C - Valuation - Gas Utilities  
Delivered on January 28, 2022

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I-C-1 (Continued)

- e. Indicate any anticipated curtailments and explain the reasons for the curtailments.
- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.

Response:

- a. UGI's gas system consists of approximately 12,000 miles of distribution main and approximately 300 miles of transmission lines served primarily from 84 city gate stations or interconnections with interstate pipelines and one significant gathering system. The distribution system served approximately 672,000 customers as of September 30, 2021. Ninety percent of the customers are residential.

UGI Gas distributes natural gas to areas across Pennsylvania lying within the Counties of Adams, Armstrong, Bedford, Berks, Blair, Bradford, Bucks, Carbon, Centre, Chester, Clarion, Clearfield, Clinton, Columbia, Cumberland, Dauphin, Forest, Franklin, Fulton, Huntingdon, Jefferson, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, McKean, Mifflin, Monroe, Montour, Montgomery, Northampton, Northumberland, Pike, Potter, Schuylkill, Snyder, Susquehanna, Tioga, Union, Vernango, Wayne, Wyoming, and York.

UGI Gas distribution systems are fed directly by eight interstate pipelines, Tennessee Gas Pipeline Company ("Tennessee"), Columbia Gas Transmission ("Columbia"), Transcontinental Gas Pipe Line Company, LLC. ("Transco"), Texas Eastern Transmission, LP ("Texas Eastern"), UGI Sunbury, LLC ("Sunbury"), UGI Mt. Bethel Pipeline Company, LLC ("Mt. Bethel"), Eastern Gas Transmission and Storage ("EGTS"), and UGI Storage Company ("UGI Storage"). Some distribution systems are fed by multiple pipelines and others are isolated feeds. It is expected that Adelphia Gateway ("Adelphia") will also provide supply into the UGI Gas distribution system beginning in January 2022.

- b. UGI Gas pursues the addition of new and expanded load in the residential, commercial, and industrial market areas. UGI Gas follows its tariff guidelines in obtaining these additions.

UGI Gas' tariff guidelines define the rate schedule the customer can utilize, the investment UGI Gas makes to obtain the customer and all other aspects of the Company's business.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-C - Valuation - Gas Utilities  
Delivered on January 28, 2022

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I-C-1 (Continued)

Beyond the tariff provisions, the other controlling factors in obtaining new load would be the availability from interstate pipelines, gas supply, and capacity on the UGI Gas distribution system.

All customer additions are administered through the Marketing Department. All new customer requests are in the form of a gas application. Once the application has been reviewed for distribution system adequacy, credit and cost, an approval letter is sent to the customer. If a new meter, service or main is required, the work is also scheduled at the time of approval.

- c.
  - (i) UGI Gas does not manufacture gas. UGI Gas has no gas storage facilities.
  - (ii) UGI Gas has no peak shaving facilities.
  - (iii) UGI Gas has no coal gasification programs.
  - (iv) UGI Gas does not anticipate the purchase of emergency gas.
  - (v) Please see Attachment III-E-36 which provides the purchases made from various producers from October 2020 through September 2021. The producer names have been replaced with alphabetic letters for confidentiality reasons. The purchases are typically made under the provision of a standard GISB or NAESB contract. Most contracts have special provisions adding language that may not have been contemplated when the GISB or NAESB contracts were first deployed.
  - (vi) Not applicable. UGI Gas does not own any gas wells.
- d.
  - (i) UGI Gas does not anticipate any development of company-owned gas wells.
  - (ii) UGI Gas does not have well development ventures. UGI Gas' gas supply arrangements are detailed in its annual Purchased Gas Cost filings, the most recent of which was docketed at R-2021-3025652.
- e. UGI Gas does not anticipate curtailments for the system.
- f. UGI Gas monitors FERC activity and evaluates pending impacts to rate payers. The FERC proceedings in which UGI Gas intervened are provided in the 1307(f)

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-C - Valuation - Gas Utilities  
Delivered on January 28, 2022

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I-C-1 (Continued)

Purchased Gas Cost filings for 2021 in Book 1, Section 3 at Docket No. R-2021-3025652.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - I-C - Valuation - Gas Utilities  
Delivered on January 28, 2022

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I-C-2

Request:

Provide an overall system map, including and labeling all measuring and regulating stations, storage facilities, production facilities, transmission and distribution mains, by size, and all interconnections with other utilities and pipelines.

Response:

In light of the security concerns reflected in the Commission's Workplace Security Survey at Docket No. M-00021590, UGI Gas has not included system maps in this filing.

Prepared by or under the supervision of: Christopher R. Brown

**SECTION 53.53 – RATE OF RETURN**

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-1

Request:

Provide capitalization and capitalization ratios for the last five-year period and projected through the next two years. (With short-term debt and without short-term debt.) (Company, Parent and System (consolidated)).

- a. Provide year-end interest coverages before and after taxes for the last three years and at latest date. (Indenture and SEC Bases.) (Company, Parent and System (consolidated)).
- b. Provide year-end preferred stock dividend coverages for last three years and at latest date (Charter and SEC bases).

Response:

Please see Attachment II-A-1.

Prepared by or under the supervision of: Tracy A. Hazenstab

**UGI Utilities, Inc.**  
**CAPITALIZATION RATIOS (Millions)**

Consolidated - UGI Corporation - With Short-Term Debt

	9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021		9/30/2022		9/30/2023	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$3,163.3	38.2	\$3,681.4	42.4	\$3,817.5	36.7	\$4,128.0	39.2	\$5,309.0	43.0				
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	213.0	1.7				
Minority Interests	577.6	7.0	418.6	4.8	9.7	0.1	9.0	0.1	9.0	0.1				
Short-Term Debt	366.9	4.4	424.9	4.9	796.3	7.7	347.0	3.3	367.0	3.0				
Long-Term Debt	4,172.1	50.4	4,165.3	47.9	5,779.9	55.6	6,034.0	57.4	6,449.0	52.2				
<b>Total Capitalization</b>	<b>\$8,279.9</b>	<b>100.0</b>	<b>\$8,690.2</b>	<b>100.0</b>	<b>\$10,403.4</b>	<b>100.0</b>	<b>\$10,518.0</b>	<b>100.0</b>	<b>\$12,347.0</b>	<b>100.0</b>	<b>\$0.0</b>	<b>0.0</b>	<b>\$0.0</b>	<b>0.0</b>

Consolidated - UGI Corporation - Without Short-Term Debt

	9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021		9/30/2022		9/30/2023	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$3,163.3	40.0	\$3,681.4	44.5	\$3,817.5	39.7	\$4,128.0	40.6	\$5,309.0	44.3				
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	213.0	1.8				
Minority Interests	577.6	7.3	418.6	5.1	9.7	0.1	9.0	0.1	9.0	0.1				
Long-Term Debt	4,172.1	52.7	4,165.3	50.4	5,779.9	60.2	6,034.0	59.3	6,449.0	53.8				
<b>Total Capitalization</b>	<b>\$7,913.0</b>	<b>100.0</b>	<b>\$8,265.3</b>	<b>100.0</b>	<b>\$9,607.1</b>	<b>100.0</b>	<b>\$10,171.0</b>	<b>100.0</b>	<b>\$11,980.0</b>	<b>100.0</b>	<b>\$0.0</b>	<b>0.0</b>	<b>\$0.0</b>	<b>0.0</b>

Company Only - UGI Utilities, Inc. - With Short-Term Debt

	9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021		9/30/2022		9/30/2023	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$ 1,014.7	57.5	\$ 1,113.6	55.9	\$ 1,228.3	55.1	\$ 1,314.0	52.5	\$ 1,424.9	50.8	\$ 1,635.3	53.0	\$ 1,822.3	55.1
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
Short-Term Debt	0.0	0.0	47.3	2.4	25.9	1.2	69.2	2.8	93.2	3.3	44.4	1.4	0.0	0.0
Long-Term Debt	751.1	42.5	831.2	41.7	974.5	43.7	1,117.8	44.7	1,285.9	45.9	1,405.0	45.5	1,483.8	44.9
<b>Total Capitalization</b>	<b>\$ 1,765.8</b>	<b>100.0</b>	<b>\$ 1,992.1</b>	<b>100.0</b>	<b>\$ 2,228.7</b>	<b>100.0</b>	<b>\$ 2,500.9</b>	<b>100.0</b>	<b>\$ 2,804.0</b>	<b>100.0</b>	<b>\$ 3,084.8</b>	<b>100.0</b>	<b>\$ 3,306.0</b>	<b>100.0</b>

Company Only - UGI Utilities, Inc. - Without Short-Term Debt

	9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021		9/30/2022		9/30/2023	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$ 1,014.7	57.5	\$ 1,113.6	57.3	\$ 1,228.3	55.8	\$ 1,314.0	54.0	\$ 1,424.9	52.6	\$ 1,635.3	53.8	\$ 1,822.3	55.1
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Debt	751.1	42.5	831.2	42.7	974.5	44.2	1,117.8	46.0	1,285.9	47.4	1,405.0	46.2	1,483.8	44.9
<b>Total Capitalization</b>	<b>\$ 1,765.8</b>	<b>100.0</b>	<b>\$ 1,944.8</b>	<b>100.0</b>	<b>\$ 2,202.8</b>	<b>100.0</b>	<b>\$ 2,431.8</b>	<b>100.0</b>	<b>\$ 2,710.8</b>	<b>100.0</b>	<b>\$ 3,040.3</b>	<b>100.0</b>	<b>\$ 3,306.0</b>	<b>100.0</b>

**UGI Utilities, Inc.**  
**INTEREST COVERAGE RATIO**

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	<u>9/30/2018</u>	<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u>
Pre-tax interest coverage	4.71	2.55	3.07	7.42
Post-tax interest coverage	4.61	2.43	2.85	5.99

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	<u>9/30/2018</u>	<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u>
Pre-tax interest coverage	5.54	4.55	4.20	4.42
Post-tax interest coverage	4.71	3.93	3.72	3.86

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UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-2

Request:

Provide latest quarterly financial report (Company and Parent).

Response:

A copy of the Company's latest quarterly financial report as of September 30, 2021 can be found at <https://www.ugicorp.com/static-files/3dd9789e-fd43-4096-b99f-0faacdab6ac5>.

Please refer to II-A-3 for the latest quarterly financial report of UGI Corporation as of September 30, 2021.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-3

Request:

Provide latest Stockholder's Report (Company and Parent).

Response:

UGI Utilities, Inc. does not produce an annual Stockholder's Report.

Please refer to the SEC website for a copy of UGI Corporation's latest Stockholder's Report on form 10-K. This can be found at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000884614/000088461421000065/ugi-20210930.htm>.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-4

Request:

Provide latest Prospectus (Company and Parent).

Response:

Please see the following link for the Prospectus Supplement from UGI Utilities Senior Notes Offering dated 9/24/08 for the latest UGI Utilities Prospectus:

<https://www.sec.gov/Archives/edgar/data/100548/000119312508201953/d424b2.htm>.

Please see the following link for the latest UGI Corporation prospectus dated 6/12/19:

<https://www.sec.gov/Archives/edgar/data/0000884614/000119312519193147/d693774d424b3.htm>.

See the response to II-A-19 for additional information regarding this UGI Corporation prospectus.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-5

Request:

Supply projected capital requirements and sources of Company, Parent and System (consolidated) for each of future three years.

Response:

See Attachment II-A-5 for projected capital expenditure requirements for Fiscal Years ending September 30, 2022, and September 30, 2023. The sources of funds may be internally generated, from contributions from parent, or from outside financing as needed.

The projection for Fiscal Year 2024 is confidential and will be made available to parties upon request and the entry of an acceptable Protective Order.

Prepared by or under the supervision of: Tracy A. Hazenstab

**UGI UTILITIES, INC. - GAS DIVISION  
PROJECTED CAPITAL EXPENDITURES  
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2023  
(millions of dollars)**

		<b>2022</b>	<b>2023</b>
Consolidated UGI Utilities, Inc. (including Electric Division)	\$	475.0	\$ 499.0
UGI Utilities, Inc. - Gas Division	\$	452.5	\$ 469.8

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-6

Request:

Provide a schedule of debt and preferred stock of Company, Parent and System (consolidated) as of test year-end and latest date, detailing for each issue (if applicable):

- a. Date of issue
- b. Date of maturity
- c. Amount issued
- d. Amount outstanding
- e. Amount retired
- f. Amount reacquired
- g. Gain on reacquisition
- h. Coupon rate
- i. Discount or premium at issuance
- j. Issuance expenses
- k. Net proceeds
- l. Sinking Fund requirements
- m. Effective interest rate
- n. Dividend rate
- o. Effective cost rate
- p. Total average weighted effective Cost Rate

Response:

Please refer to pages 11 through 14 of UGI Gas Exhibit B for this data.

Prepared by or under the supervision of: Paul R. Moul

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-7

Request:

Supply financial data of Company and/or Parent for last five years:

- a. Earnings-price ratio (average)
- b. Earnings-book value ratio (per share basis) (avg. book value)
- c. Dividend yield (average)
- d. Earnings per share (dollars)
- e. Dividends per share (dollars)
- f. Average book value per share yearly
- g. Average yearly market price per share (monthly high-low basis)
- h. Pre-tax funded debt interest coverage
- i. Post-tax funded debt interest coverage
- j. Market price-book value ratio

Response:

Please refer to Attachment II-A-7 for the requested financial data of UGI Corporation. UGI Utilities, Inc. has no publicly traded shares outstanding.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Corporation**  
**Select Financial Data**  
**For the Year Ended September 30,**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b><u>Income Statement Data (millions) :</u></b>					
Revenues	\$ 6,121	\$ 7,651	\$ 7,320	\$ 6,559	\$ 7,447
Operating Income	\$ 1,010	\$ 1,065	\$ 617	\$ 982	\$ 2,350
Net Income attributable to UGI Corporation	\$ 437	\$ 719	\$ 256	\$ 532	\$ 1,467
<b><u>Common Stock data:</u></b>					
Market price at year end	\$ 46.86	\$ 55.48	\$ 50.27	\$ 32.98	\$ 42.62
Average yearly market price per share	\$ 47.70	\$ 48.76	\$ 53.33	\$ 36.82	\$ 41.09
Book value per share (at year end)	\$ 18.18	\$ 21.14	\$ 18.24	\$ 19.70	\$ 26.31
Earnings per share (diluted)	\$ 2.46	\$ 4.06	\$ 1.41	\$ 2.54	\$ 6.92
Dividends declared per share	\$ 0.98	\$ 1.02	\$ 1.15	\$ 1.31	\$ 1.35
Dividend rate per share (at year end)	\$ 0.97	\$ 1.02	\$ 0.95	\$ 1.30	\$ 1.34
<b><u>Ratios:</u></b>					
Earnings-price ratio	19.0	13.7	35.7	13.0	6.2
Earnings-book value ratio	7.4	5.2	12.9	7.8	3.8
Dividend yield - average	2.1%	2.1%	2.1%	3.6%	3.3%
Pre-tax funded debt interest coverage	4.1	4.7	2.6	3.1	7.4
Post-tax funded debt interest coverage	3.6	4.6	2.4	2.9	6.0
Market price / Book value ratio	2.6	2.6	2.8	1.7	1.6



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-8

Request:

State amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases:

- a. Actual test year
- b. Annualized test year-end
- c. Proposed test year-end

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-33. All external debt is held at the UGI Utilities, Inc. level. For ratemaking purposes, interest expense is synchronized to the Measure of Value funded at the claimed capital structure and cost of debt.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-9

Request:

State amount of debt interest utilized for income tax calculations which has been allocated from the debt interest of an affiliate, and details of the allocation, under each of the following rate case bases:

- a. Actual test year
- b. Annualized test year-end
- c. Proposed test year-end

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-33. All external debt is held at the UGI Utilities, Inc. level. For ratemaking purposes, interest expense is synchronized to the Measure of Value funded at the claimed capital structure and cost of debt.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-10

Request:

Under Section 1552 of the Internal Revenue Code and Regulations 1.1552-1 thereunder, if applicable, Parent Company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state.)

- a. State what option has been chosen by the group.
- b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.
- c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
- d. Provide annual income tax return for group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.

Response:

- a. UGI Corporation has elected to allocate the tax liability of the consolidated group to the members in accordance with Regulation 1.1502-33 (d)(2)(ii). Further, the group elects to use 100 percent as the percentage specified in Regulation 1.1502-33(d)(2)(ii)(b). This method of allocation is to be applied in conjunction with the basic allocation method provided in Regulation 1.1552-1(a)(2). UGI Corporation also elected to reflect currently the investment adjustment in earnings and profits pursuant to Regulation 1.1502-33(c)(4)(iii).
- b. & c. See Attachment II-A-10.
- d. See SDR-RR-55 for copies of certain pages of the 9/30/20 UGI Consolidated Federal Income Tax Return.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-10 (Continued)

The tax results for the year ended 9/30/20 reflect a net operating loss. See Attachment II-A-10 for the allocation of the net operating loss among the consolidated group.

Prepared by or under the supervision of: Nicole M. McKinney

**UGI Utilities, Inc. - Gas Division**  
**Allocation of UGI Corporation Consolidated Federal Income Tax Liability**  
**For the Year Ended September 30, 2020**  
**(thousands of dollars)**

<u>Name of Company</u>	(a)	(b)	(c)	(d)	(e)
	<b>Federal Taxable Income</b>	<b>Federal Income Tax @ 21.00% Allocated</b>	<b>Foreign Tax Credit</b>	<b>General Business Credit</b>	<b>Col (b) + Col (c) - Col (d) = Net Federal Income Tax Liability</b>
AmeriGas Inc	(23)	(5)			0
AmeriGas Propane Inc.	56,320	11,827			0
AmeriGas Propane Holdings, Inc.	(207,170)	(43,506)			0
Amerigas Technology Group Inc.	0	0			0
Ashtola Production Company	(1)	(0)			0
Eastfield International Holdings Inc	0	0			0
Energy Service Funding	3,479	731			0
EuroGas Holdings Inc.	0	0			0
Four Flags Drilling Company	0	0			0
Hellertown Pipeline	0	0			0
Homestead Holding	(607)	(128)			0
Newberry Holding	955	201			0
UGI Asset Management	0	0			0
UGI Black Sea Enterprises	0	0			0
UGI China Inc	0	0			0
UGI Corporation	(201,320)	(42,277)			0
UGI Development Company	(16,858)	(3,540)			0
UGI Energy Ventures, Inc.	0	0			0
UGI Ethanol Development Company	0	0			0
UGI Europe Inc	22,795	4,787			0
UGI Hunlock Dev	0	0			0
UGI HVAC Enterprises	4,824	1,013			0
UGI International China, Inc	0	0			0
UGI International (Romania)	0	0			0
UGI LNG	2,318	487			0
UGI Penn HVAC Services	0	0			0
UGI Petroleum Products of DE	0	0			0
UGI Properties, Inc.	349	73			0
UGI Romania, Inc.	0	0			0
UGI Storage Company	4,152	872			0
UGI Utilities, Inc.	73,276	15,388			0
UGID Holding Company	(8)	(2)			0
United Valley Insurance	323	68			0
Eliminations	0	0			0
Adjustments	2,180	458			0
<b>Total Taxable</b>	<b>(255,015)</b>	<b>(53,553)</b>	<b>0</b>	<b>0</b>	<b>0</b>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-11

Request:

Provide AFUDC charged by company at test year-end and latest date, and explain method by which rate was calculated.

Response:

AFUDC totaling \$438,051 was recorded during the historic test year. UGI Gas follows the FERC guidance for calculation of the AFUDC rate. The calculated rate for the historic test year of 1.01% was based on average construction work in process compared to short-term borrowings on a monthly basis and on an aggregated annual basis. UGI Gas is currently using the short-term debt rate for AFUDC because the average short-term borrowing balances exceeds the average construction work in process balance.

The projected short-term debt rates for the future test year (Fiscal Year 2022) and fully projected test year (Fiscal Year 2023) are 1.01% and 1.30%, respectively.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-12

Request:

Set forth provisions of Company's and Parent's charter and indentures (if applicable) which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.

Response:

UGI Utilities, Inc. entered into an unsecured revolving credit agreement in June 2019 ("Revolving Credit Agreement") with a group of banks that provides for a loan commitment of up to \$350 million. UGI Utilities, Inc. may request a \$150 million increase in the amount of loan commitments under the Revolving Credit Agreement to a maximum aggregate of \$500 million. Under the Revolving Credit Agreement, UGI Utilities, Inc. may borrow at various prevailing interest rates, including LIBOR and the banks' prime rate, plus a margin. The margin on such borrowings ranges from 0.0% to 1.75% and is based on the credit ratings of certain indebtedness of UGI Utilities, Inc.

UGI Utilities, Inc. has various issuances of Senior Notes due at various times from June 2026 through April 2050. The Senior Notes are unsecured.

UGI Utilities, Inc. has a \$125 million variable rate Term Loan, with principal payments of \$1,562,500 due quarterly and the remaining principal due October 2022. Under this Note, UGI Utilities, Inc. may borrow at various prevailing market interest rates, plus an applicable margin.

The Revolving Credit Agreement, certain of the Senior Notes, and the Term Loan require UGI Utilities, Inc. not to exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined, of 0.65 to 1.00. Additionally, certain of the Senior Notes require that Consolidated Priority Debt not exceed 10% of Consolidated Total Assets.

Please refer to UGI Gas Exhibit B for a description of all other Notes which do not have defined coverage requirements, (other than that expressed above) limits on types of capital outstanding, or restrictions on dividend payouts.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-13

Request:

Attach copies of the summaries of the projected 2 year's Company's budgets (revenue, expense and capital).

Response:

Please see Attachment II-A-13 for the Company's 2022 and 2023 operating budget and plan. For capital budgets, please refer to the response to II-A-5.

Prepared by or under the supervision of: Tracy A. Hazenstab



**UGI Utilities, Inc. - Gas Division**  
**Projected Company Budget**  
**Twelve Months Ending September 30,**  
*(Thousands of Dollars)*

	<u>2022</u>	<u>2023</u>
Operating Revenues:		
Operating Revenues	\$ 991,527	\$ 986,747
Other Operating Revenues	9,891	9,939
	<u>1,001,418</u>	<u>996,686</u>
Operating Expenses:		
Gas Production	14	14
Gas Supply Production	346,127	358,286
Distribution	79,926	84,369
Customer Accounts	51,842	54,960
Customer Service and Information	10,220	10,368
Sales	1,638	1,725
Administrative and General	110,015	116,044
Depreciation and Amortization	117,066	128,358
Taxes, Other than Income Taxes	12,964	13,360
	<u>729,812</u>	<u>767,484</u>
Operating Income	<u>\$ 271,606</u>	<u>\$ 229,202</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-14

Request:

Describe long-term debt reacquisitions by Company and Parent as follows:

- a. Reacquisitions by issue by year.
- b. Total gain on reacquisitions by issue by year.
- c. Accounting of gain for income tax and book purposes.

Response:

The Company and its Parent have not reacquired any debt in more than twenty years.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-15

Request:

Set forth amount of compensating bank balances required under each of the following rate base bases:

- a. Annualized test year operations.
- b. Operations under proposed rates.

Response:

Not Applicable. UGI Utilities, Inc. has no compensating bank balance requirements.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-16

Request:

Provide the following information concerning compensating bank balance requirements for actual test year:

- a. Name of each bank.
- b. Address of each bank.
- c. Types of accounts with each bank (checking, savings, escrow, other services, etc.).
- d. Average Daily Balance in each account.
- e. Amount and percentage requirements for compensating bank balance at each bank.
- f. Average daily compensating bank balance at each bank.
- g. Documents from each bank explaining compensating bank balance requirements.
- h. Interest earned on each type of account.

Response:

Not Applicable. UGI Utilities, Inc. has no compensating bank balance requirements.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-17

Request:

Provide the following information concerning bank notes payable for actual test year:

- a. Line of Credit at each bank.
- b. Average daily balances of notes payable to each bank, by name of bank.
- c. Interest rate charged on each bank note (Prime rate, formula rate or other).
- d. Purpose of each bank note (e.g., construction, fuel storage, working capital, debt retirement).
- e. Prospective future need for this type of financing.

Response:

- a. In June 2019, the Company entered into a five-year \$350 million revolving credit facility with a consortium of banks (“2019 RCF”). The 2019 RCF is currently scheduled to expire in June 2024. Please see Attachment II-A-17 for the commitment from each bank.
- b. The 2019 RCF is predominantly used to meet working capital needs and is more heavily utilized in the Fall and Winter months when inventory and receivables balances peak. The borrowings from each bank are pro rata as per their respective commitments. The average daily borrowing under the Company’s 2019 RCF was \$186.2 million for fiscal year 2021.
- c. The interest rates for the majority of borrowings under the Company’s 2019 RCF are under the LIBOR + Applicable Margin formula. The Applicable Margin is based on public credit ratings as specified on Attachment II-A-17. The Company has two public debt ratings (Moody’s and Fitch). When there is a split rating, the Moody’s rating applies unless such ratings differ by two or more levels. If ratings differ by two or more levels, the applicable level will be deemed to be one level below the higher of such levels. Based on current ratings of the Company, the applicable margins are 0.875%.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-17 (Continued)

- d. The borrowings under the 2019 RCF are for working capital needs, CWIP, and general corporate purposes.
- e. The 2019 RCF provides adequate liquidity for working capital needs, CWIP, and general corporate purposes and does not mature until June 2024.

Prepared by or under the supervision of: Vivian K. Ressler

UGI UTILITIES, INC. - GAS DIVISION  
Line of Credit Bank Commitments and Applicable Margin  
As of September 30, 2021

**Lender Commitments of the UGI Gas five year, \$350 million revolving credit facility:**

<b>Lender</b>	<b>Commitment</b>
PNC Bank, National Association	\$75,000,000
Citizens Bank, N.A.	\$75,000,000
Credit Suisse AG, Cayman Islands Branch	\$40,000,000
JPMorgan Chase Bank, N.A.	\$40,000,000
Wells Fargo Bank, National Association	\$40,000,000
Bank of America, N.A.	\$40,000,000
The Bank of New York Mellon	\$40,000,000
	\$350,000,000

**Applicable Margin of the UGI Gas five year, \$350 million revolving credit facility:**

<b>Debt Rating</b>	<b>Margin</b>
A/A2/A	0.875%
A-/A3/A-	1.00%
BBB+/Baa1/BBB+	1.125%
BBB/Baa2/BBB	1.25%
BBB-/Baa3/BBB-	1.50%
BB+/Ba1/BB+	1.75%

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-18

Request:

Set forth amount of total cash (all cash accounts) on hand from balance sheets for last 24-calendar months preceding test year-end.

Response:

The average balance sheet cash (measured at the end of each month) for the past 24 calendar months (10/31/19 - 9/30/21) was \$13.9 million.

Please see Attachment II-A-18.

Prepared by or under the supervision of: Vivian K. Ressler



**UGI UTILITIES, INC. - GAS DIVISION  
MONTH-END CASH BALANCES**

<u>Fiscal Year 2020</u>		<u>Balance Sheet Cash</u>
October	\$	5,374,487
November	\$	7,938,841
December	\$	7,791,645
January	\$	8,181,282
February	\$	5,791,875
March	\$	3,980,701
April	\$	123,321,409
May	\$	99,008,847
June	\$	4,156,584
July	\$	2,138,543
August	\$	1,880,009
September	\$	4,926,257
<u>Fiscal Year 2021</u>		<u>Balance Sheet Cash</u>
October	\$	1,553,239
November	\$	6,088,589
December	\$	9,329,795
January	\$	14,096,738
February	\$	7,187,955
March	\$	5,992,399
April	\$	3,030,010
May	\$	1,310,319
June	\$	1,834,643
July	\$	851,045
August	\$	5,728,686
September	\$	1,070,010
<b>Two-Year Average</b>	<b>\$</b>	<b>13,856,830</b>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-19

Request:

Submit details on Company or Parent common stock offerings (past 5 years to present) as follows:

- a. Date of Prospectus
- b. Date of offering
- c. Record date
- d. Offering period--dates and number of days
- e. Amount and number of shares of offering
- f. Offering ratio (if rights offering)
- g. Per cent subscribed
- h. Offering price
- i. Gross proceeds per share
- j. Expenses per share
- k. Net proceeds per share (i-j)
- l. Market price per share
  1. At record date
  2. At offering date
  3. One month after close of offering
- m. Average market price during offering
  1. Price per share
  2. Rights per share--average value of rights
- n. Latest reported earnings per share at time of offering
- o. Latest reported dividends at time of offering

Response:

The Company has not issued stock in the last five years.

The Parent has issued stock related to the below transaction. The below is an excerpt from the UGI Corporation ("UGI") 10-K filed 11/26/2019. The Common Units discussed in this excerpt represent AmeriGas partnership units.

"On August 21, 2019, the AmeriGas Merger was completed in accordance with the terms of the Merger Agreement entered into on April 1, 2019. Under the terms of the Merger Agreement, the Partnership was merged with and into Merger Sub, with the Partnership surviving as an indirect wholly owned subsidiary of UGI. Each outstanding Common

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

---

II-A-19 (Continued)

Unit other than the Common Units owned by UGI was automatically converted at the effective time of the AmeriGas Merger into the right to receive, at the election of each holder of such Common Units, one of the following forms of merger consideration (subject to proration designed to ensure the number of shares of UGI Common Stock issued would equal approximately 34.6 million):

- (i) 0.6378 shares of UGI Common Stock (the “Share Multiplier”);
- (ii) \$7.63 in cash, without interest, and 0.500 shares of UGI Common Stock;  
or
- (iii) \$35.325 in cash, without interest.

Pursuant to the terms of the Merger Agreement, effective on August 21, 2019, we issued 34,612,847 shares of UGI Common Stock and paid \$528.9 million in cash to the holders of Common Units other than UGI, for a total implied consideration of \$2,227.7 million. In addition, the incentive distribution rights in the Partnership previously owned by the General Partner were canceled. After-tax transaction costs directly attributable to the transaction that were incurred by UGI totaling \$7.7 million were recorded as a reduction to UGI stockholders’ equity. Transaction costs incurred by the Partnership totaling \$6.3 million are reflected in “Operating and administrative expenses” on the 2019 Consolidated Statement of Income. The tax effects of the AmeriGas Merger resulting from the step-up in tax bases of the underlying assets resulted in the recording of a deferred tax asset in the amount of \$512.3 million. This deferred tax asset is included in 'Deferred income taxes' on the September 30, 2019 Consolidated Balance Sheet.

Effective upon completion of the AmeriGas Merger, Common Units are no longer publicly traded."

Based on the above transaction, please see below:

- a. Date of Prospectus: 7/12/2019
- b. Date of offering: 8/21/2019
- c. Record date: 8/21/2019
- d. Offering period--dates and number of days: 40
- e. Amount and number of shares of offering: 34,612,847
- f. Offering ratio (if rights offering): N/A
- g. Per cent subscribed: N/A
- h. Offering price: N/A
- i. Gross proceeds per share: N/A

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-19 (Continued)

- j. Expenses per share: N/A
- k. Net proceeds per share (i-j): N/A
- l. Market price per share
  - 1. At record date: \$49.08
  - 2. At offering date: \$49.08
  - 3. One month after close of offering: \$50.29
- m. Average market price during offering
  - 1. Price per share: \$49.80
  - 2. Rights per share--average value of rights: N/A
- n. Latest reported earnings per share at time of offering: \$1.90  
Basic EPS / GAAP / Twelve Months Ended June 30, 2019
- o. Latest reported dividends at time of offering: \$0.325 per share

On May 25, 2021, the Company's parent issued 2.2 million Equity Units with a total notional value of \$220 million. The Equity Units are equity-linked securities and not common stock. Therefore, the Company has determined not to include the Equity Units in the answer to this request.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-20

Request:

Provide latest available balance sheet and income statement for Company, Parent and System (consolidated).

Response:

Please refer to UGI Gas Exhibit A (Historic), Schedules B-1 and B-2 for balance sheet and income statement of UGI Utilities, Inc. - Gas Division.

Please see the UGI Utilities, Inc. balance sheet and income statement as of 9/30/21 at Attachment II-A-20.

Also, please see UGI Corporation Report on Form 10-K for the year ended 9/30/21 at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000884614/000088461421000065/ugi-20210930.htm> for Parent Company financial statements

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Millions of dollars)

	September 30,	
	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1	\$ 5
Accounts receivable (less allowances for doubtful accounts of \$16 and \$15, respectively)	80	75
Accounts receivable — related parties	3	3
Accrued utility revenues	8	14
Inventories	57	39
Derivative instruments	21	7
Other current assets	32	21
Total current assets	202	164
Property, plant and equipment	4,620	4,265
Less accumulated depreciation	(1,288)	(1,210)
Net property, plant and equipment	3,332	3,055
Goodwill	182	182
Regulatory assets	337	395
Other assets	16	13
Total assets	\$ 4,069	\$ 3,809
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 7	\$ 8
Short-term borrowings	130	141
Accounts payable — trade	82	86
Accounts payable — related parties	16	6
Employee compensation and benefits accrued	19	20
Interest accrued	13	13
Customer deposits and advances	42	40
Regulatory liabilities	39	38
Other current liabilities	54	39
Total current liabilities	402	391
Long-term debt	1,280	1,113
Deferred income taxes	510	462
Pension benefit obligations	88	170
Regulatory liabilities	313	315
Other noncurrent liabilities	73	77
Total liabilities	2,666	2,528
Common stockholder's equity:		
Common stock	60	60
Additional paid-in capital	474	474
Retained earnings	891	780
Accumulated other comprehensive loss	(22)	(33)
Total common stockholder's equity	1,403	1,281
Total liabilities and stockholder's equity	\$ 4,069	\$ 3,809

See accompanying Notes to Consolidated Financial Statements.

**UGI UTILITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Millions of dollars)

	Year Ended September 30,	
	2021	2020
Revenues	\$ 1,070	\$ 1,030
Costs and expenses:		
Cost of sales — gas and purchased power (excluding depreciation shown below)	456	448
Operating and administrative expenses	232	230
Operating and administrative expenses — related parties	21	15
Depreciation	118	105
Other operating expense, net	1	3
	<u>828</u>	<u>801</u>
Operating income	242	229
Pension and other postretirement plans non-service income	2	—
Interest expense	(55)	(54)
Income before income taxes	189	175
Income tax expense	(43)	(39)
Net income	<u>\$ 146</u>	<u>\$ 136</u>

See accompanying Notes to Consolidated Financial Statements.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

---

II-A-21

Request:

Provide Original Cost, Trended Original Cost and Fair Value rate base claims.

Response:

The Company's claim is based on original cost measure of value. As Pennsylvania law requires use of original cost measure of value for ratemaking, trended original cost and fair value rate base claims were not prepared.

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-1.

Prepared by or under the supervision of: Vivian K. Ressler



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-22

Request:

- a. Provide Operating Income claims under:
  - (i) Present rates
  - (ii) Pro forma present rates (annualized & normalized)
  - (iii) Proposed rates (annualized & normalized)
  
- b. Provide Rate of Return on Original Cost and Fair Value claims under:
  - (i) Present rates
  - (ii) Pro forma present rates
  - (iii) Proposed rates

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedules A-1, D-1, and D-2.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-23

Request:

List details and sources of “Other Property and Investment,” “Temporary Cash Investments” and “Working Funds” on test year-end balance sheet.

Response:

Please refer to the following responses:

Other Property and Investment - III-A-2

Temporary Cash Investments - III-A-3

Working Funds other than general operating cash - III-A-3

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-24

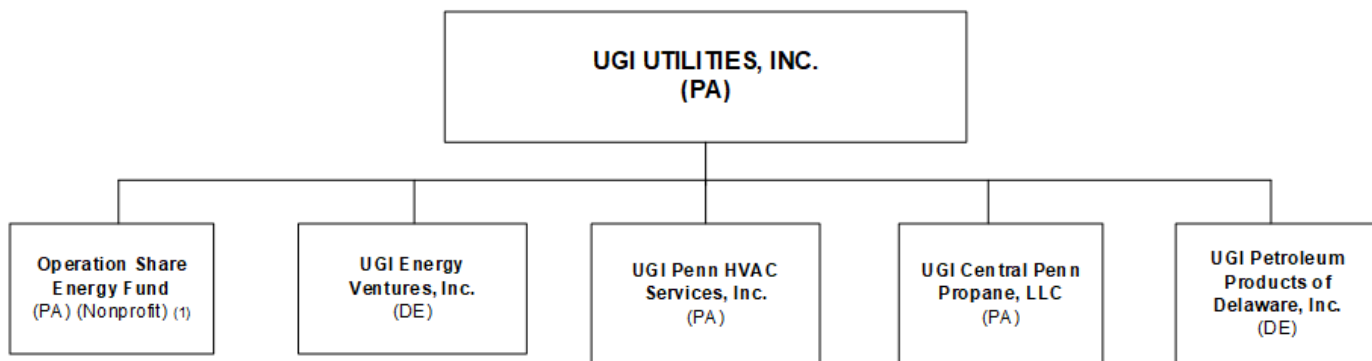
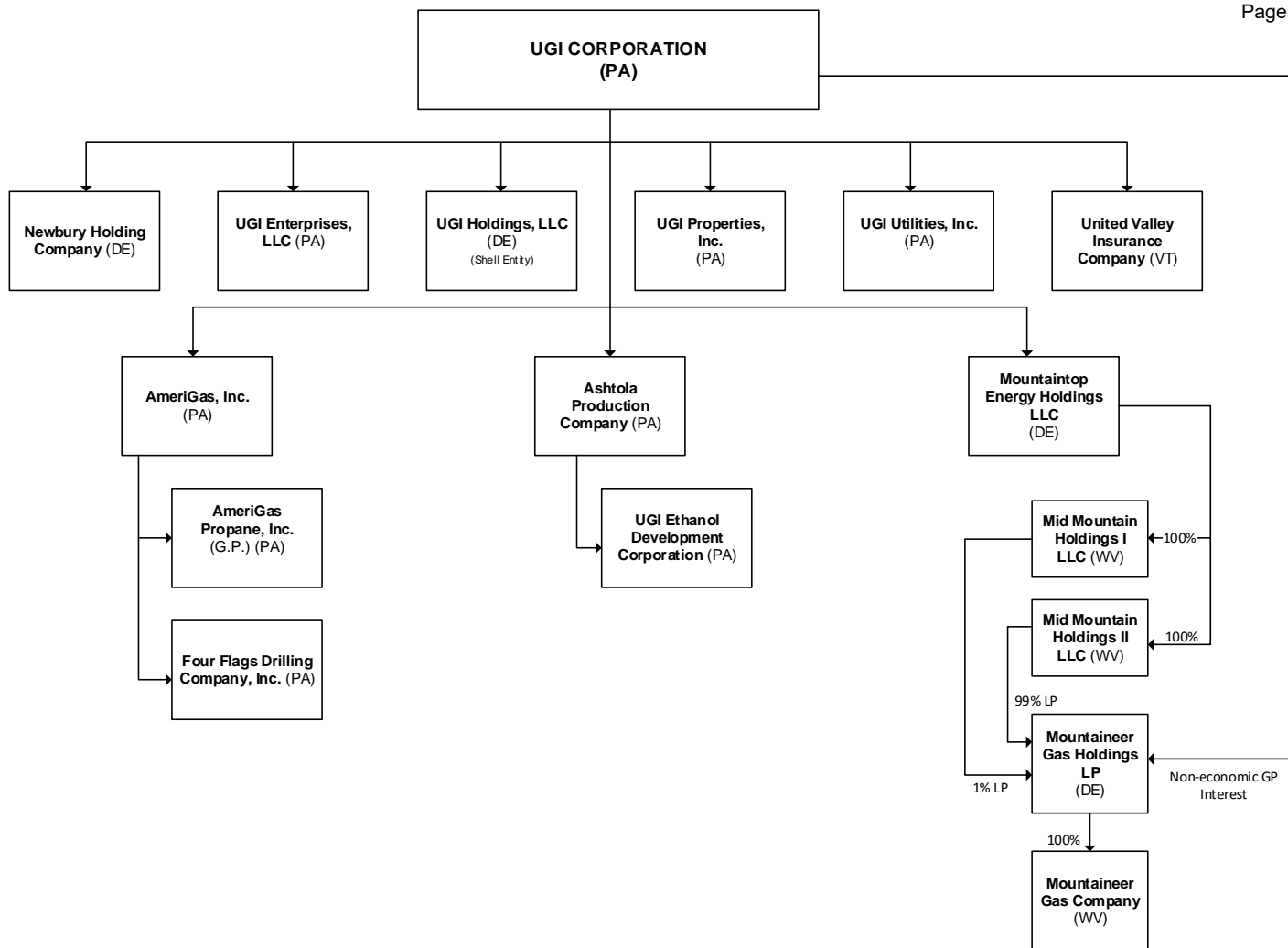
Request:

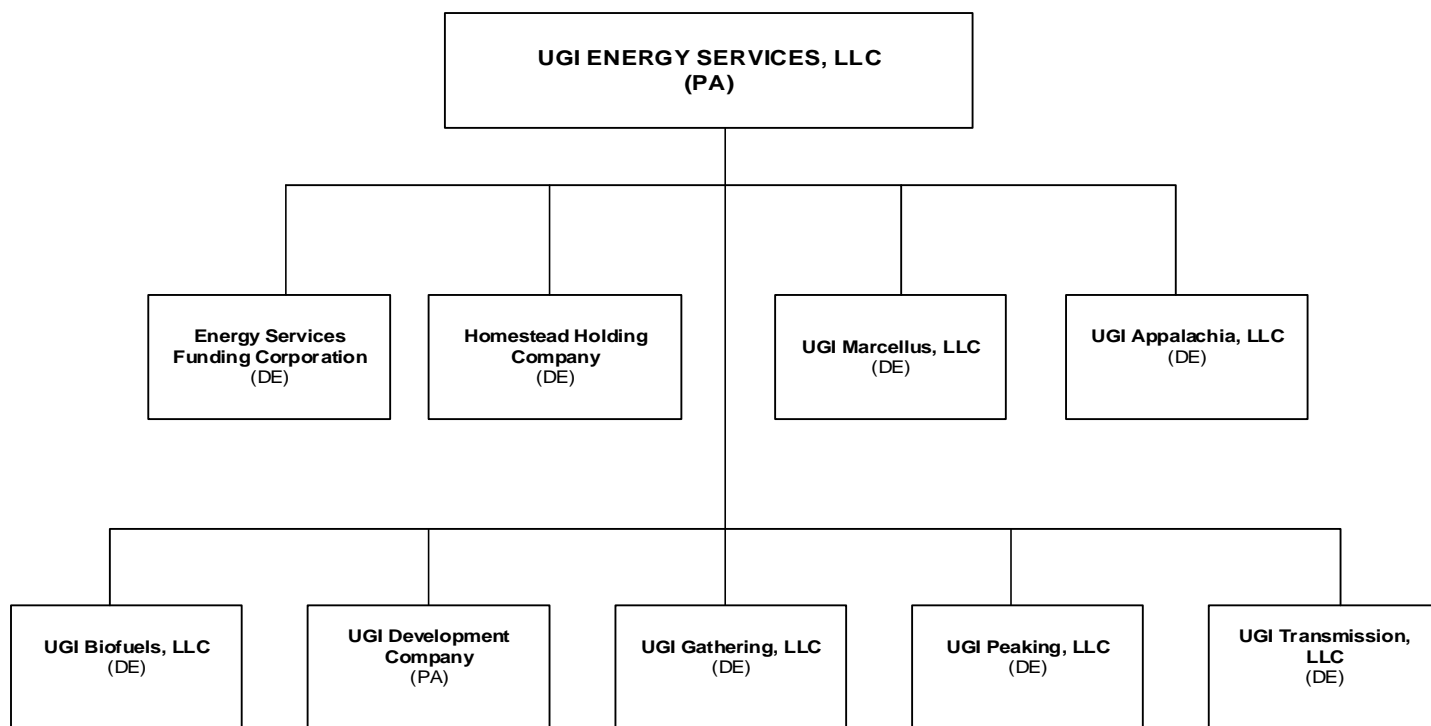
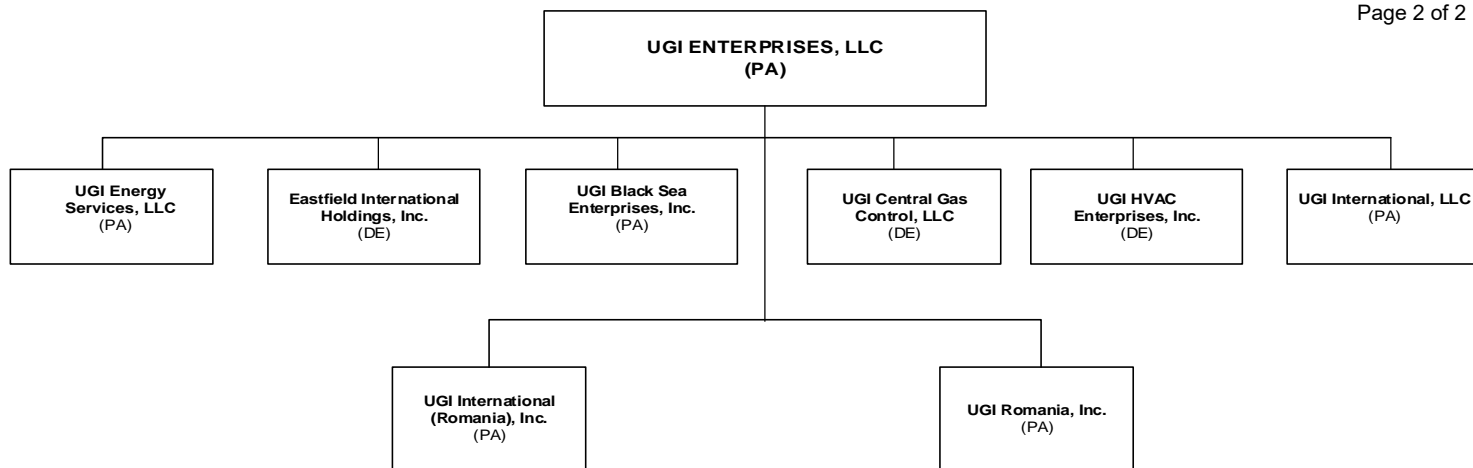
Attach chart explaining Company's corporate relationship to its affiliates (System Structure).

Response:

Please see Attachment II-A-24.

Prepared by or under the supervision of: Vivian K. Ressler





UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-25

Request:

If the utility plans to make a formal claim for a specific allowable rate of return, provide the following data in statement or exhibit form:

- a. Claimed capitalization and capitalization ratios with supporting data.
- b. Claimed cost of long-term debt with supporting data.
- c. Claimed cost of short-term debt with supporting data.
- d. Claimed cost of total debt with supporting data.
- e. Claimed cost of preferred stock with supporting data.
- f. Claimed cost of common equity with supporting data.

Response:

- a. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 6, Exhibit B, Schedule 1.
- b. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 6, Exhibit B, Schedule 1.
- c. No claim is being made for short-term debt.
- d. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 6, Exhibit B, Schedule 1.
- e. This subparagraph is not applicable as the Company does not have preferred stock.
- f. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 6, Exhibit B, Schedule 1.

Prepared by or under the supervision of: Paul R. Moul

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-A - Rate of Return - All Utilities  
Delivered on January 28, 2022

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II-A-26

Request:

Provide the following income tax data:

- a. Consolidated income tax adjustments, if applicable.
- b. Interest for tax purposes (basis).

Response:

- a. Please see Attachment II-A-26 for a calculation of a consolidated tax adjustment.

A consolidated tax adjustment has not been flowed through as a ratemaking deduction in the calculation of UGI Gas's federal income tax expense. This adjustment has only been included to demonstrate that UGI Gas has fulfilled the requirements of Section 1301.1(b) of Act 40. Please see the Direct Testimony of Tracy A. Hazenstab, UGI Gas Statement No. 2, for a discussion on how the Company has satisfied these requirements.

- b. The interest tax deduction for rate making purposes is synchronized with interest component of the capital structure.

Prepared by or under the supervision of: Nicole M. McKinney





<u>Tax Loss Entities</u>	<u>Taxable Income</u> <u>2020</u>	<u>Adjustments</u>	<u>Adjusted</u> <u>Taxable Income</u>
UGI Corporation	(201,320)	53,453 (1)	(147,867)
AmeriGas Inc	(23)		(23)
AmeriGas Propane Holdings, Inc.	(207,170)	211,012 (2)	3,842
Amerigas Technology Group Inc.	0		0
Ashtola Production Company	(1)		(1)
Eastfield International Holdings Inc	0		0
EuroGas Holdings Inc.	0		0
Four Flags Drilling Company	0		0
Hellertown Pipeline	0		0
Homestead Holding	(607)		(607)
UGI Asset Management	0		0
UGI Black Sea Enterprises	0		0
UGI Development Company	(16,858)	11,897 (3)	(4,961)
UGI Energy Ventures, Inc.	0		0
UGI Ethanol Development Company	0		0
UGI Enterprises Inc	0		0
UGI Hunlock Dev	0		0
UGI HVAC Enterprises	0		0
UGI International China. Inc	0		0
UGI International (Romania)	0		0
UGI Penn HVAC Services	0		0
UGI Petroleum Products of DE	0		0
UGI Romania, Inc.	0		0
UGID Holding Company	(8)		(8)
Total Tax Loss	<u>(425,987)</u>	<u>276,362</u>	<u>(149,625)</u>

**Explanations of Adjustments:**

(1) UGI Corporation adjustment relates to bonus depreciation taken on non-utility fixed assets for a one-time acquisition.

(2) AmeriGas adjustment relates to one-time adjustment for entity restructuring.

(3) UGI Development adjustment relates to one-time sale of non-utility fixed assets and partnership interest.

<u>Tax Loss Entities</u>	<b>Taxable Income</b> <b><u>2019</u></b>	<b><u>Adjustments</u></b>	<b>Adjusted</b> <b><u>Taxable Income</u></b>
UGI Corporation	-		0
AmeriGas Inc	(26)		(26)
Amerigas Technology Group Inc.	-		0
Ashtola Production Company	(1)		(1)
Eastfield International Holdings Inc	-		0
EuroGas Holdings Inc.	-		0
Four Flags Drilling Company	(0)		(0)
Hellertown Pipeline	-		0
Homestead Holding	(273)		(273)
UGI Asset Management	(0)		(0)
UGI Black Sea Enterprises	-		0
UGI China Inc	-		0
UGI Development Company	(5,924)		(5,924)
UGI Energy Ventures, Inc.	-		0
UGI Ethanol Development Company	-		0
UGI Hunlock Dev	-		0
UGI HVAC Enterprises	(305)		(305)
UGI International China. Inc	-		0
UGI International (Romania)	-		0
UGI LNG	-		0
UGI Penn HVAC Services	-		0
UGI Petroleum Products of DE	(0)		(0)
UGI Romania, Inc.	-		0
UGID Holding Company	(8)		(8)
United Valley Insurance	(751)		(751)
Total Tax Loss	<u>(7,287)</u>	<u>0</u>	<u>(7,287)</u>

	<b>Taxable Income</b>		<b>Adjusted</b>
	<b><u>2018</u></b>	<b><u>Adjustments</u></b>	<b><u>Taxable Income</u></b>
<u>Tax Loss Entities</u>			
UGI Corporation	0		0
AmeriGas Inc	(26)		(26)
Amerigas Technology Group Inc.	0		0
Ashtola Production Company	(1)		(1)
Eastfield International Holdings Inc	0		0
EuroGas Holdings Inc.	0		0
Four Flags Drilling Company	0		0
Hellertown Pipeline	0		0
Homestead Holding	(155)		(155)
UGI Asset Management	(0)		(0)
UGI Black Sea Enterprises	0		0
UGI Properties, Inc.	(99)		(99)
UGI Penn Natural Gas, Inc.	0		0
UGI Enterprises Inc	0		0
UGI Hunlock Dev	(90)		(90)
UGI HVAC Enterprises	(893)		(893)
UGI International China. Inc	0		0
UGI International (Romania)	0		0
UGI Penn HVAC Services	(16)		(16)
UGI Utilities, Inc.	0		0
United Valley Insurance	(239)		(239)
UGID Holding Company	(7)		(7)
Total Tax Loss	(1,525)	0	(1,525)

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - II-C - Rate of Return - Gas Utilities  
Delivered on January 28, 2022

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II-C-1

Request:

Provide test year monthly balances for “Current Gas Storage” and notes financing such storage.

Response:

Refer to UGI Gas Exhibit A (Historic), Schedules B-6 and C-5, UGI Gas Exhibit A (Future), Schedules B-6 and C-5, and UGI Gas Exhibit A (Fully Projected Future), Schedules B-6 and C-5. All of our notes can be used to finance gas storage.

Prepared by or under the supervision of: Tracy A. Hazenstab

**SECTION 53.53 – BALANCE SHEET AND  
OPERATING STATEMENT**

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-1

Request:

Provide a comparative balance sheet for the test year and the preceding year which corresponds with the test year date.

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule B-1 for a balance sheet for each of the test years. For the preceding year which corresponds with the test year date, please refer to the response to SDR-ROR-2.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-2

Request:

Set forth the major items of Other Physical Property, Investments in Affiliated Companies and Other Investments.

Response:

Please see Attachment III-A-2.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**Other Physical Property, Investments in Affiliated Companies and Other Investments**

	<u><b>09/30/2021 balance</b></u>
Account 121 Non-Utility Property	\$ 238,681
Account 123 Investment in Subsidiaries *	\$ 1,078,266
Account 124 Other Investments	\$ 75,487

\* The balance in Account 123 primarily represents a residual equity investment in UGI Gas' inactive heating, ventilation and air conditioning service business ("HVAC").



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-3

Request:

Supply the amounts and purpose of Special Cash Accounts of all types, such as:

- a. Interest and Dividend Special Deposits.
- b. Working Funds other than general operating cash accounts.
- c. Other special cash accounts and amounts (Temporary cash investments).

Response:

UGI Utilities, Inc. - Gas Division has no Special Cash Accounts as of September 30, 2021.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-4

Request:

Describe the nature and/or origin and amounts of notes receivable, accounts receivable from associated companies, and any other significant receivables, other than customer accounts, which appear on balance sheet.

Response:

Please see Attachment III-A-4.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**Schedule of Accounts Receivable**

FERC Account Description	(000's) 9/30/21 Balances
Accounts Receivable from Associated Companies – consisting primarily of administrative services provided to UGI Energy Services, Inc.	\$ 2,927
Claims Reimbursements	3,601
Damage Repair and Other Misc. Receivables	1,246
Off System Sales & Delivery Service Fees	504
Employee Merchandise & Tuition Reimbursement	84

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-5

Request:

Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued, and amounts written-off in each of last three years.

Response:

Please see Attachment III-A-5.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Schedule of Reserve for Uncollectible Accounts

(\$ in 000's except for rate of accrual)	9/30/2019	9/30/2020	9/30/2021
Account 144 - Accumulated Provision for Uncollectible Accounts	\$ 7,030	\$ 13,016	\$ 14,518
Method <sup>1</sup>	Allowance	Allowance	Allowance
Rate of Accrual <sup>2</sup>	1.72%	1.53%	1.51%
Amounts Accrued - Uncollectible Expense <sup>2</sup>	\$ 14,400	\$ 12,810	\$ 12,810
Amounts Written Off (net of recoveries)	\$ 15,115	\$ 7,432	\$ 12,203

<sup>1</sup> The allowance method recognizes that a percentage of each month's sales will eventually prove to be uncollectible. Consequently, a percentage of each month's sales is charged to uncollectible expense in that month and the reserve is increased. When specific accounts are written off, they are charged to the reserve account, thus decreasing the reserve.

<sup>2</sup> Fiscal years 2021 and 2020 exclude \$895 and \$607 of uncollectible expense, respectively, which were recorded as COVID-19 regulatory assets. See further discussion at UGI Gas Exhibit A (Fully Projected Future), Schedule D-11.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-6

Request:

Provide a list of prepayments and give an explanation of special prepayments.

Response:

Please see Attachment III-A-6.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**Schedule of Prepayments**

<b>Account 165</b>	<b>(000's)</b>	
	<b>9/30/21 Balances</b>	
Insurance	\$	4,370
IS Maintenance & Services		4,794
Miscellaneous		347
PUC Assessment		2,636
Property Taxes		448
Income Taxes		1,339
Total Prepayments	\$	<u>13,935</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-7

Request:

Explain in detail any other significant (in amount) current assets listed on balance sheet.

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule B-1.

Prepared by or under the supervision of: Tracy A. Hazenstab



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-8

Request:

Explain in detail, including the amount and purpose, the deferred asset accounts that currently operate to effect or will at a later date effect the operating account supplying:

- a. Origin of these accounts.
- b. Probable changes to this account in the near future.
- c. Amortization of these accounts currently charged to operations or to be charged in the near future.
- d. Method of determining yearly amortization for the following accounts:
  - Temporary Facilities
  - Miscellaneous Deferred Debits
  - Research and Development
  - Property Losses
  - Any other deferred accounts that effect operating results.

Response:

Please see Attachment III-A-8.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**SCHEDULE OF DEFERRED ASSET ACCOUNTS**

Account Description	(000) 9/30/21 Balances	Footnote
Deferred Recoverable Income Taxes	\$ 125,102	1
Pension and OPEB Benefit	88,378	2
Environmental Costs	58,161	3
Cost of Removal	21,506	4
Information Technology Program Costs (UNITE)	10,017	5
Deferred Revenue	6,160	6
Debt Issuance Costs	5,482	7
Excess Uncollectibles - COVID-19	1,502	8
Energy Efficiency and Conservation (EEC)	959	9
COVID-19 Emergency Relief Program	922	8
DSIC Over/Under	535	9
Rate Case	319	10
<b>Total Deferred Assets</b>	<b>\$ 319,043</b>	

**Footnotes for Amortization Schedule**

- (1) Amortized over a period of 1-65 years dependent upon the nature of the cost.
- (2) Amortized over the average remaining future service lives of plan participants.
- (3) Amortized based on annual environmental rate recovery. Unrecovered costs are amortized annually at \$1,865.
- (4) Amortized over a period of five years.
- (5) Currently not amortizing.
- (6) Amortized from October 2021 - September 2022.
- (7) Amortized over the term of the debt instruments.
- (8) Will be amortized over 10 years, in accordance with the 2020 UGI Gas rate case settlement at Docket No. R-2019-3015162.
- (9) Recovery of Over/Under collection subject to annual reconciliation.
- (10) Amortized from January 2021 - December 2021.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-9

Request:

Explain the nature of accounts payable to associated companies, and note amounts of significant items.

Response:

Please see Attachment III-A-9.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**SCHEDULE OF ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES**

Affiliate Name	Balance in (000's) 9/30/2021	Nature of Payable Activity
UGI Energy Services	\$ 9,374	Gas purchase activity
UGI Energy Services	6,900	Collateral deposits
UGI Corporation	3,663	Administrative services
UGI Corporation	1,575	Income tax payment made by UGI Corporate on behalf of Utilities
UGI Gas Control	1,516	Administrative and IT services
	<u>\$ 23,027</u>	

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-10

Request:

Provide details of other deferred credits as to their origin and disposition policy (e.g.-- amortization).

Response:

Please see Attachment III-A-10 for a detailed schedule of Deferred Credits.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Schedule of FERC 253 – Other Deferred Credits  
*(in Thousands)*

FERC Account Description	Balance at 9/30/21	Footnote
Deferred Revenue	\$ 9,748	1
Long Term Operating Lease Obligations	1,715	2
Executive Retirement Plan	6,224	3
Executive Supplemental Savings Plan	33	3
Restricted Share Awards	960	4
Short Term Disability & COBRA - Non Current	1,339	5
Long Term Disability - Non Current	337	6
Deferred CIAC	12,225	7
Uncertain Tax Position	161	8
	<u>\$ 32,743</u>	

**Footnotes for Amortization Schedule**

- (1) Amortized over terms of agreements, which extend to various years through 2053.
- (2) Amortized over the life of the related lease.
- (3) Amortized over the average remaining future service lives of plan participants.
- (4) Payout awarded at the end of the performance period.
- (5) The valuation reflects the costs associated with all future disability payments, and will be relieved as disability payments are made.
- (6) Adjusted quarterly based on the present value of the benefit costs to be paid over the disability term for an employee.
- (7) Will be applied to projects as they are placed in service.
- (8) FIN48 liabilities are released when a tax year has been audited and settled or the tax year is closed under the statute of limitations. Generally, the statute of limitations is three years from the due date of the tax return.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-11

Request:

Supply basis for Injury and Damages reserve and amortization thereof.

Response:

The accrual for injuries and damages expense is designed to maintain the reserve at the proper level with respect to existing and probable claims, taking into account the insurance coverage available. UGI Gas currently has insurance coverage for commercial, general, automobile and property damages in excess of \$1,000,000 per claim. Actual disbursements are charged against the reserve as expenditures are made.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-12

Request:

Provide details of any significant reserves, other than depreciation, bad debt, injury and damages, appearing on balance sheet.

Response:

Please refer to the response to SDR-RR-54 for details of significant reserves appearing on the balance sheet.

Prepared by or under the supervision of: Vivian K. Ressler



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-13

Request:

Provide an analysis of unappropriated retained earnings for the test year and three preceding calendar years.

Response:

Please refer to Attachment III-A-13.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Consolidated**  
**Analysis of Unappropriated Retained Earnings**  
**Twelve Months Ended September 30,**  
*(Thousands of Dollars)*

<u>Line No.</u>	<u>Historic 2018</u>	<u>Historic 2019</u>	<u>Historic 2020</u>	<u>HTY 2021</u>	<u>FTY 2022</u>	<u>FPFTY 2023</u>
1 Beginning Balance	\$ 480,857	\$ 579,778	\$ 694,481	\$ 780,180	\$ 891,062	\$ 1,101,494
2 Adjustments (a)		\$ 1,525				
3 Net Income	148,921	133,178	135,700	145,882	175,432	186,945
4 Common Stock Dividends	(50,000)	(20,000)	(50,000)	(35,000)		-
5 Contributions from Parent					35,000	
6 Ending Balance	<u>\$ 579,778</u>	<u>\$ 692,956</u>	<u>\$ 780,180</u>	<u>\$ 891,062</u>	<u>\$ 1,101,494</u>	<u>\$ 1,288,439</u>

- (a) Adjustments include Cumulative effect of change in accounting principle - ASC 606 - (\$3,926) and Reclassification of stranded income tax effects related to TCJA - \$5,451.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-14

Request:

Provide schedules and data in support of the following working capital items:

- a. Prepayments--List and identify all items
- b. Federal Excise Tax accrued or prepaid
- c. Federal Income Tax accrued or prepaid
- d. Pa. State Income Tax accrued or prepaid
- e. Pa. Gross Receipts Tax accrued or prepaid
- f. Pa. Capital Stock Tax accrued or prepaid
- g. Pa. Public Utility Realty Tax accrued or prepaid
- h. State sales tax accrued or prepaid
- i. Payroll taxes accrued or prepaid
- j. Any adjustment related to the above items for ratemaking purposes.

Response:

Please see UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-4, and the response to III-A-6. In addition, please see the Direct Testimony of Tracy A. Hazenstab, UGI Gas Statement No. 2, and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-15

Request:

Supply an exhibit supporting the claim for working capital requirement based on the lead-lag method.

- a. Pro forma expenses and revenues are to be used in lieu of book data for computing lead-lag days.
- b. Respondent must either include sales for resale and related expenses in revenues and in expenses or exclude from revenues and expenses. Explain procedures followed (exclude telephone).

Response:

Please see UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-4 and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-16

Request:

Provide detailed calculations showing the derivation of the tax liability offset against gross cash working capital requirements.

Response:

Refer to UGI Gas Schedule C-4 within Exhibit A (Historic), Exhibit A (Future), Exhibit A (Fully Projected).

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-17

Request:

Prepare a Statement of Income for the various time frames of the rate proceeding including:

- Col. 1--Book recorded statement for the test year.  
2--Adjustments to book record to annualize and normalize under present rates.  
3--Income statement under present rates after adjustment in Col. 2  
4--Adjustment to Col. 3 for revenue increase requested.  
5--Income statement under requested rates.

- a. Expenses may be summarized by the following expense classifications for purposes of this statement:

Operating Expenses (by category)

Depreciation

Amortization

Taxes, Other than Income Taxes

Total Operating Expense

Operating Income Before Taxes

Federal Taxes

State Taxes

Deferred Federal

Deferred State

Income Tax Credits

Other Credits

Other Credits and Charges, etc.

Total Income Taxes

Net Utility Operating Income

Other Income & Deductions

Other Income

Detailed listing of Other Income used in Tax Calculation

Other Income Deduction

Detailed Listing

Taxes Applicable to Other Income and Deductions

Listing Income Before Interest Charges

Listing of all types of Interest Charges and all amortization of Premiums and/or Discounts and Expenses on Debt issues

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-17 (Continued)

Total Interest  
Net Income After Interest Charges

(Footnote each adjustment to the above statements with explanation in sufficient clarifying detail.)

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), schedules in Section D, for the Company's presentation of the requested Statements of Income and adjustments to operating revenues and expenses.

Please refer to the Direct Testimony of Tracy A. Hazenstab, UGI Gas Statement No. 2, and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3, for explanations of the Statements of Income and adjustments to operating revenues and expenses depicted in the Section D schedules of UGI Gas Exhibit A (Historic), (Future) and (Fully Projected), the underlying sources of budgeted information, and the basis for the adjustments.

Please refer to the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 6, and related UGI Gas Exhibit B, Schedule 6, for the derivation of the weighted average cost of debt used in the Company's debt interest synchronization adjustment, including the treatment of debt issuance expense, premiums and discounts used in calculating the effective cost rate for each series of long-term debt.

Please refer to the Direct Testimony of Sherry A. Epler, UGI Gas Statement No. 8, for an explanation on the derivation of future test year and fully projected year sales and revenues.

Please refer to the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 7, for an explanation of the Company's income tax adjustments.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-18

Request:

Provide comparative operating statements for the test year and the immediately preceding 12 months showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major variances between the test year and preceding year by detailed account number.

Response:

Please refer to Attachment III-A-18 for the exhibit of comparative operating statements.

Explanations of major variances (defined as amounts greater than \$1,000 and 10%) are shown below in (\$000's):

Other Operating Revenues – Increase of \$22,328 due to increases in Off System Sales (FERC 4950) (\$17,300) and Late Payment Charges (FERC 4870) (\$2,100).

Depreciation & Amortization – Increase of \$10,953 – (FERC 4030) - The increase is due to higher capital expenditures resulting in higher additions, as well as a full year of depreciation expense on assets placed in service in 2020.

Miscellaneous Income/Expense – Decrease of \$3,434 – Miscellaneous Non-operating Income/Expense (FERC 4210) decreased \$2,000 due to \$1,500 decrease in environmental costs and a \$500 decrease in other non-operating income. Additionally, there was a one-time donation of a supplier refund of \$1,000 in 2020 (FERC 4261).

Prepared by or under the supervision of: Vivian K. Ressler



**UGI Utilities, Inc. - Gas Division**  
**Comparative Statements of Income**  
*(in thousands)*

	12 Months Ended 9/30/2020	12 Months Ended 9/30/2021	Variance
<b>Revenues</b>			
<b>Gas Utility Revenues</b>	\$ 836,387	\$ 844,497	\$ 8,110
<b>Other Operating Revenues</b>	104,764	127,092	22,328
<b>Total Operating Revenue</b>	<u>941,151</u>	<u>971,589</u>	30,438
<b>Expenses</b>			
<b>Operating Expense</b>	39,128	41,274	2,146
<b>Maintenance Expense</b>	22,935	22,446	(489)
<b>Customer Accounts Operations Expense</b>	34,997	34,666	(331)
<b>Customer Service, Information and Sales Expense</b>	3,460	3,028	(432)
<b>Admin and General Operation Expense</b>	105,900	107,859	1,959
<b>Depreciation and Amortization Expense</b>	98,201	109,154	10,953
<b>Other taxes</b>	9,263	8,709	(555)
<b>Storage, Transportation and Other</b>	402,026	404,896	2,870
<b>Interest Income/Interest Expense</b>	3,592	2,907	(685)
<b>Miscellaneous Income/Expense</b>	4,274	840	(3,434)
<b>Long Term Debt Interest</b>	47,160	50,204	3,045
<b>Total Expenses before Taxes</b>	<u>770,935</u>	<u>785,982</u>	15,047
<b>Income Before Taxes</b>	170,216	185,606	15,391
<b>Tax Expense</b>	38,783	42,692	3,909
<b>Net Income</b>	<u>\$ 131,433</u>	<u>\$ 142,914</u>	<u>\$ 11,481</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-19

Request:

List extraordinary property losses as a separate item, not included in operating expenses or depreciation and amortization. Sufficient supporting data must be provided.

Response:

None.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-20

Request:

Supply detailed calculations of amortization of rate case expense, including supporting data for outside services rendered. Provide the items comprising the rate case expense claim (include the actual billings or invoices in support of each kind of rate case expense), the items comprising the actual expenses of prior rate cases and the unamortized balances.

Response:

The Company's rate case expense claim is based on the normalization of projected rate case expenditures. For details, please see UGI Gas Exhibit A (Fully Projected), Schedule D-10. Historic expenditures from the Company's last rate case at Docket No. R-2019-3015162 are shown in Attachment III-A-20.

Prepared by or under the supervision of: Tracy A. Hazenstab

**UGI Utilities, Inc. - Gas Division  
Rate Case Expense  
for Docket No. R-2019-3015162**

External Consultants	\$ 376,341
External Legal	\$ 619,931
Administrative and Printing	\$ 23,160
Total	<u>\$ 1,019,432</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-21

Request:

Submit detailed computation of adjustments to operating expenses for salary, wage and fringe benefit increases (union and non-union merit, progression, promotion and general) granted during the test year and six months subsequent to the test year. Supply data showing for the test year:

- a. Actual payroll expense (regular and overtime separately) by categories of operating expenses, i.e., maintenance, operating transmission, distribution, other.
- b. Date, percentage increase, and annual amount of each general payroll increase during the test year.
- c. Dates and annual amounts of merit increases or management salary adjustments.
- d. Total annual payroll increases in the test year.
- e. Proof that the actual payroll plus the increases equal the payroll expense claimed in the supporting data (by categories of expenses).
- f. Detailed list of employee benefits and cost thereof for union and non-union personnel. Any specific benefits for executives and officers should also be included, and cost thereof.
- g. Support the annualized pension cost figures.
  - (i) State whether these figures include any unfunded pension costs. Explain.
  - (ii) Provide latest actuarial study used for determining pension accrual rates.
- h. Submit a schedule showing any deferred income and consultant fee to corporate officers or employees.

Response:

- a – f. Refer to UGI Gas Exhibit A (Fully Projected), Schedule D-7 and the Direct Testimony of Tracy A. Hazenstab, UGI Gas Statement No. 2.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-21 (Continued)

- g. Refer to Attachment III-A-21 for the latest actuarial report showing pension accrual rates. Refer to UGI Gas Exhibit A (Fully Projected), Schedule D-14 and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3 for discussion of the Company's pension claim.
- h. There are no significant deferred income and consultant fees to corporate officers or employees.

Prepared by or under the supervision of: Vivian K. Ressler

## WillisTowersWatson

October 28, 2021

██████████  
 ████████████████████  
 UGI Corporation  
 460 N. Gulph Road  
 King of Prussia, PA 19406

### FISCAL 2022 ASC 715-30 PENSION EXPENSE

We have calculated the fiscal 2022 ASC 715-30 pension expense / (income) for the Retirement Income Plan for Employees of UGI Utilities, Inc. (RIP) to be \$(5,817,609).

### ASC 715-30 PENSION EXPENSE / (INCOME)

The actual fiscal 2022 pension expense / (income) for the RIP is allocated amongst the business units as follows:

UGI Utilities	\$ (5,175,258)
Holding Company	(199,302)
Enterprises	(50,730)
UGID	(206,171)
HVAC	(134,708)
CPG Propane	(131,024)
UGI Gas Control	<u>79,584</u>
	\$ (5,817,609)

The fiscal 2022 pension expense / (income) compares to actual fiscal 2021 pension expense of \$4,762,015. There are multiple factors influencing the change in expense to income for fiscal 2022. The primary reasons for the change in expense are as follows:

- The decrease in the increase in the discount rate assumption from 2.90% to 3.10% decreased fiscal 2022 expense (increased income) by approximately \$1.6 million
- Expected changes (including cash contributions made to the plan) based on the prior valuation decreased fiscal 2022 expense (increased income) by approximately \$3.4 million
- The return on the market-related value of plan assets was higher than expected, which decreased fiscal 2022 expense (increased income) by \$4.7 million
- The change in the mortality assumption from the Pri-2012-based table with the MP-19 improvement scale to the Pri-2012-based table with the MP-20 improvement scale decreased fiscal 2022 expense (increased income) by approximately \$0.9 million

The pension expense / (income) is based on the projected benefit obligation (PBO) and fair asset value measured as of September 30, 2021, as reported in UGI's fiscal 2021 year-end financial disclosure. The plan's PBO as of September 30, 2021 was estimated to be \$713,473,135 and the fair value of assets were reported to be \$625,947,186

The details of the pension expense calculations are shown in the following exhibits:

- Exhibit I contains the expense calculations in total
- Exhibit II contains the expense components by business unit

[REDACTED]  
October 28, 2021

The PBO was allocated to the various business units based on the codes provided in the 2021 valuation data and confirmed through the data question process. Service cost and interest cost were allocated to each unit based on actual amounts calculated for the respective participants of each unit. The expected return on assets component and the amortization components of pension expense were allocated in proportion to the PBO's of the respective business unit.

The allocation of the projected benefit obligation as of September 30, 2021 between UGI Utilities, Holding Company, UGID, HVAC, UGI Enterprises, and CPG – Propane are shown below:

	<b><u>September 30, 2021 PBO</u></b>
Utilities	\$ 638,708,082
Holding Company	47,158,472
Enterprises	2,578,264
UGID	10,578,188
HVAC	7,020,254
CPG Propane	6,729,186
UGI Gas Control	<u>700,689</u>
Total	\$ 713,473,135

## **EMPLOYEE DEMOGRAPHICS**

Census data used for the determination of fiscal 2022 pension cost is as of January 1, 2021. After discussions with UGI, obligations were projected to September 30, 2021 on a no gain/loss basis, and adjusted for changes in key actuarial assumptions. There were 710 active participants as of January 1, 2021. A breakdown of the active participants by business unit is as follows:

■ UGI Utilities:	686
■ Holding Company:	17
■ Enterprises:	0
■ UGID:	0
■ UGI HVAC:	0
■ CPG Propane:	0
■ UGI Gas Control:	7

The number of inactive participants as of January 1, 2021 is 2,787, which includes 743 terminated vested participants and 2,044 participants currently receiving benefits.

## **INVESTMENT EXPERIENCE**

The rate of return on the fair value of assets was approximately 13.8% for the period October 1, 2020 to September 31, 2021 compared to the assumed investment return of 7.10% for that period. The market-related value of assets used to determine pension expense phases in deviations from the assumed return on the equity portion of the portfolio. For the fixed income portion of the portfolio, the market-related value is equal to the fair value. Actual investment return during fiscal 2021 caused the fiscal 2022 pension expense to decrease (income to increase).



██████████  
October 28, 2021

## ASSUMPTIONS

The fiscal 2021 and 2022 ASC 715-30 pension costs were determined using the following assumptions:

ECONOMIC ASSUMPTIONS:	FISCAL 2022	FISCAL 2021
■ Discount rate	3.10%	2.90%
■ Weighted-average salary increase assumption from age 40 to expected retirement	3.25%	3.25%
■ Expected return on assets	7.10%	7.20%
■ Mortality	Pri-2012 blue collar table with rates decreased by 4.9%, projected using Scale MP-2020 from 2012	Pri-2012 blue collar table with rates decreased by 4.9%, projected using Scale MP-2019 from 2012
■ Cash contributions	2021 target normal cost prior to reflection of interest rate stabilization (\$11,364,000) based on the following schedule:	2020 target normal cost prior to reflection of interest rate stabilization (\$12,595,446) based on the following schedule:

Date		Amount	Date		Amount
12/15/2021	2,841,000	2,841,000	12/15/2020	3,044,000	3,044,000
3/15/2022	2,841,000	2,841,000	3/15/2021	3,044,000	3,044,000
6/15/2022	2,841,000	2,841,000	6/15/2021	3,044,000	3,044,000
9/15/2022	2,841,000	2,841,000	9/15/2021	3,044,000	3,044,000

All other assumptions and methods, as well as their rationale, are unchanged from those documented in the fiscal 2021 actuarial valuation report.

## PLAN PROVISIONS

All plan provisions are the same as those documented in the fiscal 2021 actuarial valuation report.

October 28, 2021

## PROFESSIONAL QUALIFICATIONS AND RELIANCES

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between UGI Utilities, Inc. and our employer, Willis Towers Watson US LLC.

In preparing these results Willis Towers Watson has used the information and data provided to us by UGI. We have relied on all the data and information provided, including plan provisions as being complete and accurate. We have reviewed this information for overall reasonableness and consistency but have neither audited nor independently verified this information.

The results contained in this letter are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. Certain plan provisions may be approximated or determined to be immaterial and therefore not valued. Assumptions may be made about participant data or other factors. We have made reasonable efforts to ensure that items that are material in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in our calculations. As these differences arise, contributions or the cost for accounting purposes will be adjusted in future valuations to take changes into account. If these adjustments become material, they may result in future adjustments to the valuation model.

As required by ASC 715, the actuarial assumptions and methods employed in the development of the pension cost have been selected by the plan sponsor. U.S. GAAP requires that each significant assumption "individually represent the best estimate of the plan's future experience solely with respect to that assumption. Willis Towers Watson has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with UGI's tax advisors and auditors. Willis Towers Watson used information supplied by UGI regarding postretirement benefit asset, postretirement benefit liability and amounts recognized in accumulated other comprehensive income as of September 30, 2021. This data was reviewed for reasonableness and consistency, but no audit was performed.

The results contained in this letter have been developed based on actuarial assumptions that, to the extent evaluated or selected by Willis Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

The results provided in this letter have been prepared solely for the benefit of UGI to assist with its year-end financial reporting. This email should not be used for other purposes and we accept no responsibility for any such use. It should not be relied upon by, or shared with, any third parties without Willis Towers Watson's prior written consent.

This letter provides actuarial information. It does not constitute legal, accounting, tax or investment advice. We encourage UGI to consult with qualified advisors with respect to those matters.

## **ASOP 56 DISCLOSURE**

valuation system. It is used to perform valuations of clients' benefit plans. Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports. Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

October 28, 2021

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected. Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

RATE:Link is a methodology to develop spot rates to be used for measurements related to employee benefit plans. The same core methodology is used to develop all RATE:Link curves. The RATE:Link process develops term structures of interest rates from corporate bond data for each covered market. The construction of RATE:Link yield curves relies on bond data collected as of the measurement date. Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P

U.S. BOND:Link is a methodology to assist with the selection of discount rates used in measurements related to employee benefit plans. Discount rates are derived by identifying a theoretical settlement portfolio of high- quality corporate bonds sufficient to provide for a plan's projected benefit payments. The single interest rate is then determined that results in a discounted value of the plan's benefit payments that equals the market value of the selected bond portfolio.

Updated BOND:Link models are developed monthly as of the last day of the month. The construction of a BOND:Link model relies on bond data collected as of the measurement date Parameters provide the user the ability to control aspects of the model. The model output allows the user to see the effect of those parameters. Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

\*\*\*\*\*

Please call us, if you have any questions or would like to discuss these results further.

Sincerely,



Christopher S. Zukas, FSA  
Director, Retirement

Direct Dial: 215-246-6104



Lori Wolfersberger, FSA  
Associate Director, Retirement

215-246-4942

Enclosures

cc: [Redacted list of names]

## RETIREMENT INCOME PLAN FOR EMPLOYEES OF UGI UTILITIES, INC.

### Valuation Results

	As of 9/30/2021	As of 9/30/2020
Fair Value of Assets (FV)	\$625,947,186	\$565,993,939
Projected Benefit Obligation (PBO)	713,473,135	736,442,974
PBO Funded Percentage	87.7%	76.9%

### Reconciliation of Funded Status

Funded Status (FV – PBO)	(87,525,949)	(170,449,035)
AOCI	120,206,972	195,716,073
Market-Related Value of Assets	\$612,257,070	\$563,744,642

	FYE 2022 (Fiscal Year ending 9/30/2022)	FYE 2021 (Fiscal Year ending 9/30/2021)
<b>Net Periodic Pension Cost (Income)</b>		
Service Cost	\$7,651,666	\$8,579,477
Interest Cost	21,892,353	21,194,262
Expected Return on Assets	(42,753,638)	(39,385,109)
Amortization		
Prior Service Cost	99,586	117,566
Actuarial Loss (Gain)	7,292,424	14,255,819
<b>Net Pension Cost (Income)</b>	<b>\$(5,817,609)</b>	<b>\$4,762,015</b>

### Assumptions

Discount Rate	3.10%	2.90%
Average Salary Increases	3.25%	3.25%
Expected Return on Assets	7.10%	7.10%

**RETIREMENT INCOME PLAN FOR EMPLOYEES OF UGI UTILITIES, INC.**

<b>Total Fiscal 2022 Expense by Business Unit</b>								
	<b>Utilities</b>	<b>CGC</b>	<b>Holding Company</b>	<b>Enterprises</b>	<b>UGID</b>	<b>HVAC</b>	<b>CPG Propane</b>	<b>Total</b>
Service Cost	6,870,800	89,800	691,100	-	-	-	-	7,651,700
Interest Cost	19,610,100	24,500	1,446,900	77,100	318,100	213,200	202,500	21,892,400
Expected Return on Assets	(38,273,500)	(42,000)	(2,825,900)	(154,500)	(633,900)	(420,700)	(403,200)	(42,753,700)
Net Amortization	<u>6,617,400</u>	<u>7,300</u>	<u>488,600</u>	<u>26,700</u>	<u>109,600</u>	<u>72,700</u>	<u>69,700</u>	<u>7,392,000</u>
<b>Total Expense</b>	<b>(5,175,200)</b>	<b>79,600</b>	<b>(199,300)</b>	<b>(50,700)</b>	<b>(206,200)</b>	<b>(134,800)</b>	<b>(131,000)</b>	<b>(5,817,600)</b>

**Assumptions**

Discount Rate: 3.10%

Expected Return on Assets: 7.10%

Mortality: Pri-2012 blue collar table with rates decreased by 4.9%, projected using Scale MP-2020 from 2012

Other assumptions and plan provisions used in this estimate are the same as those documented in the 2021 valuation report  
Census data as of January 1, 2021

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-22

Request:

Supply an exhibit showing an analysis, by functional accounts, of the charges by affiliates (Service Corporations, etc.) for services rendered included in the operating expenses of the filing company for the test year and for the 12-month period ended prior to the test year:

- a. Supply a copy of contracts, if applicable.
- b. Explain the nature of the services provided.
- c. Explain basis on which charges are made.
- d. If charges allocated, identify allocation factors used.
- e. Supply the components and amounts comprising the expense in this account.
- f. Provide details of initial source of charge and reason thereof.

Response:

Refer to Attachment III-A-22.1 for listings of applicable Gas Purchase Agreements, Asset Management Agreements and Affiliated Interest Agreements which have been previously authorized by the Commission. Refer to Attachments III-A-22.2(a) - (m) (contained on USB flash drive) for copies of the Affiliated Interest Agreements which have been previously authorized by the Commission.

See Attachment III-A-22.3 for a listing of charges from affiliates for services rendered. This listing includes the affiliate providing the service, the nature of the service, the amounts charged for Fiscal 2019 - Fiscal 2023 (Fiscal 2022 and Fiscal 2023 are planned amounts), the FERC functional account(s) where the charges are recorded, and the allocation factor (if applicable).

UGI Corporation provides administrative services to UGI Utilities, Inc. pursuant to Affiliate Interest Agreements approved by the Commission. Services provided by UGI Corporation include, but are not limited to, executive management, finance and accounting, information technology, human resources, pension fund management, internal audit, legal, shareholder relations, risk management and similar types of services.

UGI Utilities, Inc. - Gas Division  
List of Natural Gas Purchase Agreements and Asset Management Agreements

Affiliate Name	Contract Effective Date	Contract Termination Date
<b><i>UGI Energy Services, LLC</i></b>		
Natural Gas Purchase Agreement	5/1/2017	30 days written notice
Natural Gas Supply & Delivery Contract (UGI-CO-1013) 97,994 MDQ	11/1/2020	10/31/2038
Natural Gas Supply & Delivery Contract (UGI-CO-1014) 25,000 MDQ	11/1/2021	10/31/2036
Peaking Delivery Service (UGI-P-1012) 23,632 MDQ	11/1/2016	3/31/2026
Peaking Delivery Service (UGI-P-1010) 106,465 MDQ	11/1/2015	3/31/2025
Peaking Delivery Service (UGI-P-1014) 40,573 MDQ	11/1/2018	3/31/2033
Natural Gas Supply & Delivery Contract (PNG-CO-1012) 36,169 MDQ	11/1/2018	10/31/2033
Peaking Delivery Service (PNG-P-1003) 21,772 MDQ	11/1/2016	3/31/2026
Transportation Service Agreement (Carverton Road) 120,000 MDQ	12/26/2013	12/25/2033
Peaking Delivery Service (CPG-P-1006) 4,750 MDQ	11/1/2015	3/31/2025
Peaking Delivery Service (CPG-P-1007) 5,000 MDQ	11/1/2018	3/31/2033
Peaking Delivery Service (CPG-P-1008) 2,519 MDQ	11/1/2018	3/31/2033
Peaking Delivery Service (UGI-P-1016) 162,177 MDQ	11/1/2021	3/31/2036
Peaking Delivery Service (UGI-P-1017) 72,299 MDQ	11/1/2021	3/31/2036
Peaking Delivery Service (UGI-P-1018) 15,891 MDQ	11/1/2021	3/31/2024
Asset Management Agreement on Columbia Pipeline	11/1/2021	10/31/2022
<b><i>UGI Storage Company</i></b>		
NNS Firm Delivery Contract 8,792 MDQ	4/1/2011	3/31/2026
FSS Firm Storage Contract 879,200 SCQ	4/1/2011	3/31/2026

UGI Utilities, Inc. – Gas Division  
List of Affiliated Interest Agreements

<b>Attachment #</b>	<b>Affiliate</b>	<b>Effective Dates</b>	<b>Docket #</b>	<b>Details</b>
III-A-22.2(a)	UGI Corporation	May 1992	G-00920296	This Agreement sets forth the terms by which Utilities may provide administrative services to or receive services from Holding Company and its unregulated subsidiaries. These services will be provided on a cost basis.
III-A-22.2(b)	UGI Corporation	July 2003	G-00031008	Arrangement between UGI Utilities, Inc. and UGI Corporation and its subsidiaries under which Utilities would provide pipeline engineering, construction, maintenance and related services to UGI Companies at the higher of market rates or cost.
III-A-22.2(c)	UGI Energy Services, LLC	April 2004	G-00041075	Affiliate Interest Agreement regarding ground to be leased by UGI Energy Services, LLC from UGI Utilities, Inc. and office space to be leased by UGI Utilities, Inc. from UGI Energy Services, LLC.
III-A-22.2(d)	UGI Energy Services, LLC	Aug. 2007	G-00970552	This is an Agreement whereby Utilities would buy gas from or sell gas to GASMARK at prevailing market rates.
III-A-22.2(e)	UGI Energy Services, LLC	March 1999	G-00980646	This is an Agreement whereby Utilities would buy electric generation from Energy Services at or below prevailing market rates, for its own use at facilities throughout its service territories.
III-A-22.2(f)	AmeriGas, Inc.	May 16, 2017 – December 31, 2020	G-2016-2557069	Affiliated Interest Agreement between UGI Utilities, Inc. and AmeriGas, Inc. to support the Gas-Beyond-the-Mains customers.
III-A-22.2(g)	UGI HVAC	Dec. 2005	G-00051142	Affiliate Interest agreement in which UGI HVAC will reimburse UGIU for allocated costs related to use of space at UGIU facilities.



Attachment #	Affiliate	Effective Dates	Docket #	Details
III-A-22.2(h)	UGI HVAC	Feb. 2007	G-00071217	Affiliated Interest Agreement of UGI Utilities, Inc. with UGI HVAC Services, Inc. and UGI HVAC Enterprises (1) natural gas distribution facility installation, maintenance, testing and repair services and associated equipment (hereafter "Natural Gas Operations Services") and (2) heating, air conditioning, ventilating, plumbing, electric contracting and/or related services and associated equipment from the UGI HVAC Companies at market prices.
III-A-22.2(i)	United Valley Insurance Co.	June 1993	G-00930344	Affiliate Interest Agreement for insurance coverage through United Valley Insurance Co. Coverage through the affiliate is not mandatory and may be purchased through other independent companies when costs or coverage are more advantageous.
III-A-22.2(j)	UGI Sunbury, LLC	June 2015	G-2015-2467129	Affiliated Interest Agreement between UGI Utilities, Inc. and UGI Sunbury, LLC regarding the Sunbury Pipeline.
III-A-22.2(k)	UGI Central Gas Control, LLC	October 1, 2020 – September 30, 2030 –	G- 2020-3021989	Application of UGI Utilities, Inc. –Gas Division (“UGI Gas”) for Approval of Services Agreement whereby UGI Gas would receive gas control services from UGI Central Gas Control, LLC (“UGI Gas Control”) and UGI Gas would provide certain IT and licensing provisions to UGI Gas Control.
III-A-22.2(l)	UGI Energy Services, LLC	April 1, 2021	G-2021-3024552 G-2021-3024804	Affiliated Interest Agreement between UGI Utilities, Inc. – Electric & Gas Divisions and UGI Energy Services, LLC to sub-lease office space.
III-A-22.2(m)	UGI Energy Services, LLC	November 10, 2021	G-2021-3028753	Affiliated Interest Agreement between UGI Utilities, Inc. and UGI Energy Services, LLC regarding the Auburn Gathering System.

UGI Utilities, Inc. - Gas Division  
Charges by Affiliates - Services Rendered  
For the Fiscal Years Ended September 30, 2019 through 2023  
\$ in Thousands

	2019	2020	2021	2022	2023	FERC Functional Account	Allocation Factor
1) UGI Central Gas Control Gas Control Services	\$ 1,754	\$ 1,781	\$ 1,807	\$ 1,807	\$ 1,861	910, 923	N/A
2) UGI HVAC Services, Inc. (a) Natural Gas Operations Services & HVAC Services	\$ 565	\$ 831	N/A	N/A	N/A	887, 932	N/A
3) United Valley Insurance Company Insurance coverage	\$ 4,982	\$ 5,467	\$ 5,570	\$ 5,510	\$ 5,785	925	By policy
4) UGI Energy Services, LLC Natural Gas Purchases	\$ 231,000	\$ 179,000	\$ 224,000	\$ 224,000	\$ 224,000	804	N/A (e)
Building sub-lease (b)	N/A	N/A	N/A	\$ 327	\$ 495	107, 101	Lease agreement
Auburn Capacity Lease	N/A	N/A	N/A	\$ 141	\$ 565	881	Lease agreement
5) UGI Corporation Administrative Services	\$ 12,452	\$ 13,464	\$ 19,423	\$ 24,569	\$ 25,028	(c) 920, 926, 923, 925, 408.1	(d)

N/A Not Applicable

- (a) UGI HVAC was sold to an unaffiliated company effective 9/30/2020. Therefore, there are no affiliate transactions for 2021 or future.
- (b) UGI Utilities, Inc. subleases building space from UGI Energy Services, LLC, as explained at Attachment III-A-22.2. This building space is used exclusively for the UNITE It development project team and is therefore capitalized as part of the project costs within 107 (while in progress) and 101 (when complete).
- (c) For 2019 - 2021, all Corporate allocation amounts were allocated to FERC 923 (Outside Services). For 2022 and 2023, the amounts are assigned to various FERC accounts, based on the nature of the underlying cost.
- (d) Allocation factor used for administrative services is MWF or time spent as applicable based on nature of the service.
- (e) 2022 and 2023 natural gas purchases from UGI Energy Services, LLC are estimated based on 2021 actuals.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-23

Request:

Describe costs relative to leasing equipment, computer rentals, and office space, including terms and conditions of the lease. State method for calculating monthly or annual payments.

Response:

Please see Attachment III-A-23.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division**  
**Costs Relative to Leasing Equipment, Computer Rental and Office Space**  
**12 Months Ended 9/30/2021**  
**(000's)**

	<u>Annual Expenses</u>	<u>Method of Computing Payment</u>	<u>Terms of Lease or Rental Agreement</u>
		Monthly payments per lease or rental agreements. Percentage applied from Modified Wisconsin Formula for leases of shared properties.	
Real Estate	\$ 229		2008 - 2025
		Monthly payments per lease or rental agreements. Percentage applied from Modified Wisconsin Formula for leases of shared assets.	
Equipment	380		2019 - 2024
		Monthly payments per lease or rental agreements.	
Vehicles	<u>1,602</u>		2018 - 2023
Total	<u>\$ 2,211</u>		

Note: Balances above include long-term leases only (Original Terms of 12 months or more)

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-24

Request:

Submit detailed calculations (or best estimates) of the cost resulting from major storm damage.

Response:

No major storm damages have been recorded in the last five fiscal years. Accordingly, no damages are included in the future or fully projected future test year claims.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-25

Request:

Submit details of expenditures for advertising (National and Institutional and Local media). Provide a schedule of advertising expense by major media categories for the test year and the prior two comparable years with respect to:

- a. Public health and safety
- b. Conservation of energy
- c. Explanation of Billing Practices, Rates, etc.
- d. Provision of factual and objective data programs in educational institutions
- e. Other advertising programs
- f. Total advertising expense

Response:

Please see Attachment III-A-25.

Prepared by or under the supervision of: Vivian K. Ressler

UGI UTILITIES, INC. - GAS DIVISION  
ADVERTISING EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 THROUGH 2023  
(in US Dollars)

		FY2019	FY2020	FY2021	FY2022	FY2023
Public Health & Safety	Print/Digital	\$ 146,131	\$ 116,937	\$ 18,489	\$ 86,784	\$ 87,636
Public Health & Safety	Radio					
Public Health & Safety	TV	\$ 16,332		\$ 42,000		
Public Health & Safety	Bill Insert					
Public Health & Safety	Other*	\$ 5,175	\$ 2,621	\$ 2,992	\$ 8,700	\$ 8,784
Conservation of Energy	Print/Digital	\$ 577,789	\$ 356,748	\$ 353,700	\$ 619,256	\$ 637,317
Conservation of Energy	Radio	\$ -	\$ -	\$ -	\$ -	\$ -
Conservation of Energy	TV	\$ -	\$ -	\$ -	\$ -	\$ -
Conservation of Energy	Bill Insert	\$ 25,853	\$ 26,136	\$ 22,446	\$ 21,854	\$ 22,510
Conservation of Energy	Other*	\$ -	\$ -	\$ -	\$ -	\$ -
Explanation of Bill Practices, Rates, Etc.	Print/Digital	\$ 118,424	\$ 182,553	\$ 109,407	\$ 107,540	\$ 110,767
Explanation of Bill Practices, Rates, Etc.	Radio	\$ -	\$ -	\$ -	\$ -	\$ -
Explanation of Bill Practices, Rates, Etc.	TV	\$ -	\$ -	\$ -	\$ -	\$ -
Explanation of Bill Practices, Rates, Etc.	Bill Insert	\$ 118	\$ 442	\$ -	\$ 943	\$ 971
Explanation of Bill Practices, Rates, Etc.	Other*	\$ -	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Print/Digital	\$ -	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Radio	\$ -	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	TV	\$ -	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Bill Insert	\$ -	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Other*	\$ -	\$ -	\$ -	\$ -	\$ -
Other Advertising Programs	Print/Digital	\$ 203,711	\$ 174,545	\$ 189,701	\$ 114,055	\$ 119,877
Other Advertising Programs	Radio	\$ 47,766	\$ -	\$ -	\$ 25,393	\$ 25,393
Other Advertising Programs	TV	\$ -	\$ -	\$ -	\$ -	\$ -
Other Advertising Programs	Bill Insert	\$ 196,628	\$ 4,937	\$ 85	\$ 3,072	\$ 3,108
Other Advertising Programs	Other*	\$ 868,412	\$ 1,021,754	\$ 481,308	\$ 869,946	\$ 885,178
<b>SUMMARY BY MEDIA</b>						
Total Advertising Expenses	Print/Digital	\$ 1,046,054	\$ 830,782	\$ 671,297	\$ 849,551	\$ 876,744
Total Advertising Expenses	Radio	\$ 47,766	\$ -	\$ -	\$ 25,393	\$ 25,393
Total Advertising Expenses	TV	\$ 16,332	\$ -	\$ 42,000	\$ -	\$ -
Total Advertising Expenses	Bill Insert	\$ 222,599	\$ 31,514	\$ 22,531	\$ 25,869	\$ 26,589
Total Advertising Expenses	Other*	\$ 873,587	\$ 1,024,375	\$ 484,300	\$ 956,730	\$ 972,814
<b>SUMMARY BY CATEGORY</b>						
Public Health & Safety	All	\$ 167,638	\$ 119,558	\$ 63,481	\$ 95,484	\$ 96,420
Conservation of Energy	All	\$ 603,642	\$ 382,884	\$ 376,146	\$ 641,110	\$ 659,827
Explanation of Bill Practices, Rates, Etc.	All	\$ 118,541	\$ 182,995	\$ 109,407	\$ 108,484	\$ 111,738
Data Programs in Educational Institutions	All	\$ -	\$ -	\$ -	\$ -	\$ -
Other Advertising Programs	All	\$ 1,316,516	\$ 1,201,235	\$ 671,093	\$ 1,012,466	\$ 1,033,556
<b>TOTAL</b>		\$ 2,206,338	\$ 1,886,672	\$ 1,220,127	\$ 1,857,544	\$ 1,901,541

\* Other advertising includes other mass media, website and branded giveaways.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-26

Request:

Provide a list of reports, data, or statements requested by and submitted to the Commission during and subsequent to the test year.

Response:

Please see Attachment III-A-26.

Prepared by or under the supervision of: Christopher R. Brown



## UGI Utilities, Inc. – Gas Division

List of reports, data or statements requested by and submitted to the Commission during and subsequent to the test year.

- Test Year Plant Reporting Obligation in accordance with Final Order Paragraph #14 at Docket No. R-2019-3015162, Entered on October 8, 2020.
- PUC Annual Report
- Universal Service Program Reconciliations
- Section 1307(f) Purchased Gas Cost Filings – Book I & II
- Annual Purchase Gas Cost Compliance Filing
- Annual Gas Rate Comparison Report
- Integrated Resource Planning Report
- Quarterly Purchase Gas Cost Report
- Gas Switching Report/Choice Switching Report
- Annual Report on Unaccounted For Gas
- Residential and Commercial Price-to-Compare Report
- Quarterly Financial and Statistical Report
- P.U.C. Regulatory Assessment on Gross Receipts
- Informal complaint replies
- 52 PA Code 56.231 – Collection Results for Residential and Small Commercial Customers
- Quality of Service – Benchmark and Standards Report - including Metrix/Matrix
- PA Code 58.15 LIURP annual program evaluation report and Spending and Budget report
- 52 PA Code 62.6 - Universal Service Impact Evaluation
- Annual Conservation Plan – Status of Existing Conservation Activities
- 52 PA Code 56.100 (4) and 56.100 (5) – Cold Weather Survey of premises where heat related service is terminated during the year and resurvey of prior year’s account not restored.
- Customer Assistance Program (CAP) Report
- Section 1410.1(4) – Medical Certificates and renewals submitted and accepted by the Company
- Section 1410.1(3) – Accounts Exceeding \$10,000 in Arrearages
- Quarterly Rate of Return Filing
- Annual Depreciation Report
- Public Utility Security Planning & Readiness Self-Certification Form
- Gas Supply and Demand Report
- Payment Agreement Report
- Gas Delivery Enhancement Rider Rate Filing

## UGI Utilities, Inc. – Gas Division

List of reports, data or statements requested by and submitted to the Commission during and subsequent to the test year.

- Annual Statistical Report
- Natural Gas Utility Update Report
- GET Gas Annual Report
- Long Term Infrastructure Improvement Plan
- Annual Asset Optimization Plan
- Annual DOT Reports
- Meter Test Reports
- Major Construction Reports (over \$300K)
- Winter Reliability Data Request
- Annual Diversity Report
- Quality of Service Transaction Survey
- Bi-Annual LIURP Report
- Annual Hardship Fund Report
- State Tax Adjustment Surcharge Filing
- Universal Service Surcharge Filing
- USP Impact Evaluation
- Annual Conservation Plan - IRP - Status of Existing Conservation Activities
- LIHEAP Leveraging
- CAP Collaboratives
- CAP Credit Report
- Distribution System Improvement Charge (DSIC)
- Combined Heat and Power (CHP) Report
- EE&C Annual Rate Filing
- EE&C Annual Over/Under Reconciliation
- Annual Report – Natural and Other Gas Transmission and Gathering Systems
- Transmission Integrity Management Notifications
- Cast Iron and Bare Steel Status Report
- Safety Related Condition Report
- Incident Report – Gas Distribution/Transmission Systems
- Distribution System - Mechanical Fitting Failure Reports
- Supply Regulatory Inventory
- Low-Income Usage Reduction Program Year-end Status Report

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-27

Request:

Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for by the Company and the cost thereof.

Response:

None are being claimed.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-28

Request:

Submit a schedule showing, by major components, the expenditures associated with Outside Services Employed, Regulatory Commission Expenses and Miscellaneous General Expenses, for the test year and prior two comparable years.

Response:

Please see Attachment III-A 28.1 for account 930.2 - Miscellaneous General Expenses.

Please see Attachment III-A-28.2 for account 923 - Outside Services Employed.

Please see Attachment III-A-28.3 for account 928 - Regulatory Commission Expenses.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
 Schedule of Account 930.2 - Miscellaneous General Expenses  
 For the Fiscal Years Ending September 30, 2019 through 2023

<u>Expenditure Type (in Thousands)</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>ASSOCIATION DUES</b>	791	877	932	1,027	1,048
<b>PROFESSIONAL FEES</b>	124	67	230	204	206
<b>ADVERTISING</b>	104	455	427	438	452
<b>SPONSORSHIPS &amp; MEMBERSHIPS</b>	61	553	211	420	424
<b>EMPLOYEE BUSINESS EXPENSES</b>	537	173	170	269	303
<b>OTHER EXPENSES</b>	397	553	271	319	330
<b>GRAND TOTAL</b>	<u><u>2,014</u></u>	<u><u>2,678</u></u>	<u><u>2,240</u></u>	<u><u>2,677</u></u>	<u><u>2,763</u></u>

\*Restated

UGI Utilities, Inc. - Gas Division  
 Schedule of Account 923 - Outside Services Employed  
 For the Fiscal Years Ending September 30, 2019 through 2023

<b>Expenditure Type (<i>in Thousands</i>)</b>	<b>2019*</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>ADVERTISING/PUBLIC RELATIONS</b>	325	25	47	0	0
<b>AUDIT</b>	1,143	1,078	712	737	760
<b>ENVIRONMENTAL</b>	993	568	469	786	989
<b>IS CONSULTING SERVICES</b>	1,544	4,277	2,987	2,894	3,522
<b>LEGAL &amp; OTHER PROFESSIONAL SERVICES</b>	3,068	9,375	10,142	9,208	9,160
<b>CORPORATE ALLOCATIONS**</b>	12,451	13,212	19,319	9,184	9,799
<b>MISCELLANEOUS</b>	8,192	2,032	2,856	1,351	1,392
<b>GRAND TOTAL</b>	<b><u>27,718</u></b>	<b><u>30,567</u></b>	<b><u>36,534</u></b>	<b><u>24,161</u></b>	<b><u>25,622</u></b>

\*Restated

\*\*For 2019-2021, all Corporate allocation amounts were allocated to FERC 923 (Outside Services). For 2022 and 2023 the amounts are allocated to various FERC accounts, including FERC 923.

UGI Utilities, Inc. - Gas Division  
Schedule of Account 928 - Regulatory Commission Expenses  
For the Fiscal Years Ending September 30, 2019 through 2023

<u>Expenditure Type (in Thousands)</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>UGI Utilities, Inc. Gas Division Rate Case Normalization</b>	232	910	885	263	1,000
<b>UGI Utilities, Inc. Gas Division Other Regulatory Commission Expenses</b>	103	(36)	(113)	131	138
<b>GRAND TOTAL</b>	<u><u>334</u></u>	<u><u>874</u></u>	<u><u>772</u></u>	<u><u>394</u></u>	<u><u>1,138</u></u>

\*Restated

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-29

Request:

Submit details of information covering research and development expenditures, including major projects within the company and forecasted company programs.

Response:

UGI Gas did not have any research and development expenditures in the last five years and does not claim any expenditures in the historic, future, or fully projected future test years.

Prepared by or under the supervision of: Vivian K. Ressler



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-30

Request:

Provide a detailed schedule of all charitable and civic contributions by recipient and amount for the test year.

Response:

Please see Attachment III-A-30 for a schedule of all charitable and civic contributions made for UGI Gas for the fiscal year ended September 30, 2021. No claim is being made for charitable and civic contributions.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**Schedule of Charitable and Civic Contributions**  
**For The Year Ended September 30, 2021**

<u>Organization Name</u>	<u>2021</u>
OPERATION SHARE	\$ 580,914
READING IS FUNDAMENTAL INC	166,333
AMERICAN RED CROSS	100,250
THE SPARKS FOUNDATION	72,500
UNITED WAY OF BERKS COUNTY	70,000
UNITED WAY OF WYOMING VALLEY	51,500
UNITED WAY OF LACKAWANNA & WAYNE CO	50,900
THADDEUS STEVENS FOUNDATION	50,100
THE SALVATION ARMY	40,500
WILKES UNIVERSITY	40,000
UNITED WAY OF LANCASTER COUNTY	35,300
BRIDGE EDUCATIONAL FOUNDATION	26,111
SOLANCO EDUCATION FOUNDATION	25,000
PENNSYLVANIA COLLEGE OF TECH FNDN	25,000
CENTRAL PENNSYLVANIA FOOD BANK	22,785
THE PENNSYLVANIA STATE UNIVERSITY	22,100
UNITED WAY OF GREATER LEHIGH VALLEY	20,500
THE JOSHUA GROUP	20,000
LEHIGH CARBON COMMUNITY COLL FNDN	20,000
COMMUNITIES IN SCHS OF EASTERN PA I	17,500
JUNIOR ACHIEVEMENT OF NE PA	16,000
POCONO MOUNTAINS UNITED WAY	16,000
UNITED WAY OF THE CAPITAL REGION	15,500
LANCASTER SCIENCE FACTORY	15,000
KIDSPEACE CORP	15,000
FOUNDATION OF THE COLUMBIA MONTOUR	15,000
LANCASTER COUNTY CAREER & TECH FNDN	15,000
COCALICO EDUCATION FOUNDATION	15,000
WORLD AFFAIRS COUNCIL OF PHIL	15,000
MILLERSVILLE UNIVERSITY FOUNDATION	11,000
THE CHALLENGE PROGRAM, INC	10,000
SPANISH AMERICAN CIVIC ASSOC	10,000
SKILLSUSA COUNCIL	10,000
CAMP CURTIN YMCA	10,000
DA VINCI DISC CNTR OF SCI & TECH	10,000
GIRL SCOUTS IN THE HEART OF PA	10,000
LACKAWANNA COLLEGE	10,000
BERKS COUNTY COMMUNITY FNDN	10,000
EPHRATA PUBLIC LIBRARY	10,000
MASTERY CHARTER SCHOOLS FOUNDATION	10,000
MISCELLANEOUS CONTRIBUTIONS UNDER \$10,000	311,425
<b>Total</b>	<b>\$ 2,017,219</b>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-31

Request:

Provide a detailed analysis of Special Services--Account 795.

Response:

Gas account 795 has no activity.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-32

Request:

Provide a detailed analysis of Miscellaneous General Expense--Account No. 801.

Response:

UGI Gas has not recorded activity to account 801 for the last five fiscal years and has no amounts allocated to this account in the FTY or FPFTY. UGI Gas does, however, capture Miscellaneous General Expense under account 930.2. For an analysis of that account's activity, please refer to the response to III-A-28.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-33

Request:

Provide a labor productivity schedule.

Response:

Please see Attachment III-A-33.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
 Labor Productivity Schedule  
 For Fiscal Years 2021 - 2023

	Actual FY-2021	Estimate FY-2022	Estimate FY-2023
<b>Sales (Mcf)</b>	308,783,667	338,100,349	340,396,577
<b>Number of Employees</b>	1,667	1,714	1,761
<b>Number of Hours Worked</b>	3,467,360	3,565,588	3,663,140
<b>Miles of Main- Total</b>	12,491	12,543	12,596
Miles of Main-Distribution	12,184	12,234	12,284
Miles of Main- Transmission	307	309	312
<b>Number of Customers</b>	671,662	680,529	688,670
<b>Mcf Sales per Employee</b>	185,233	197,258	193,297
Per Hours Worked	89	95	93
<b>Miles of Main per Employee-Total</b>	7	7	7
Miles of Main per Employee-Distribution	7	7	7
Miles of Main per Employee- Transmission	0	0	0
<b>Customers per Employee</b>	403	397	391

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-34

Request:

List and explain all non-recurring abnormal or extraordinary expenses incurred in the test year which will not be present in future years.

Response:

Test year expenses that are non-recurring, extraordinary or do not occur yearly, but over an extended period of years, are explained and adjusted in Section D of UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected).

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-35

Request:

List and explain all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years. (e.g.--Non-yearly maintenance programs, etc.)

[Responses shall be submitted and identified as exhibits.]

Response:

For adjustments to operating expenses, please see UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Section D and the Direct Testimony of Tracy A. Hazenstab, UGI Gas Statement No. 2, and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Tracy A. Hazenstab



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-36

Request:

Using the adjusted year's expenses under present rates as a base, give detail necessary for clarification of all expense adjustments. Give clarifying detail for any such adjustments that occur due to changes in accounting procedure, such as charging a particular expense to a different account than was used previously. Explain any extraordinary declines in expense due to such change of account use.

Response:

In Fiscal 2021 (HTY) and previous years, UGI Gas recorded all costs associated with services provided by UGI Corporation within FERC account 923 (Outside Services). As part of a recent FERC audit, UGI Gas was requested to record these costs based on the underlying nature of the expense. Therefore, for Fiscal 2022 and future, such allocated costs are recorded within the following FERC accounts: 920 (Administrative and general salaries); 923 (outside services employed); 925 (injuries and damages); 926 (employee pensions and benefits); and 408.1 (taxes other than income taxes). For fiscal years 2022 and 2023, this reclassification totaled \$16.2 and \$16.7 million respectively.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-37

Request:

Indicate the expenses that are recorded in the test year, which are due to the placement in operating service of major plant additions or the removal of major plant from operating service, and estimate the expense that will be incurred on a full-year's operation.

Response:

For a presentation of the major plant additions, cost of removal and plant retirements, refer to Schedules C-2 and C-3 in the UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected). For a presentation of depreciation expense, please refer to Schedule D-21.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-38

Request:

Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures.

Response:

New Accounting Standard Adopted effective October 1, 2020:

Credit Losses. Effective October 1, 2020, the Company adopted ASU 2016-13, "Measurement of Credit Losses on Financial Instruments," including subsequent amendments, using a modified retrospective transition approach. This ASU, as subsequently amended, requires entities to estimate lifetime expected credit losses for financial instruments not measured at fair value through net income, including trade and other receivables, net investments in leases, financial receivables, debt securities, and other financial instruments, which may result in earlier recognition of credit losses. Further, the new current expected credit loss model may affect how entities estimate their allowance for losses related to receivables that are current with respect to their payment terms. The adoption of the new guidance did not have a material impact on the Company's financial statements.

New Accounting Standard Adopted effective October 1, 2021:

Income Taxes. In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes." This ASU simplifies the accounting for income taxes by eliminating certain exceptions within the existing guidance for recognizing deferred taxes for equity method investments, performing intraperiod allocations and calculating income taxes in interim periods. Further, this ASU clarifies existing guidance related to, among other things, recognizing deferred taxes for goodwill and allocated taxes to members of a consolidated group. This new guidance is effective for the Company for interim and annual periods beginning October 1, 2021 (Fiscal 2022) and is not expected to have a material impact on the Company's financial statements.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-39

Request:

Identify the specific witness for all statements and schedules of revenues, expenses, taxes, property, valuation, etc.

Response:

Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1, for a complete list of witnesses and areas of responsibility. The primary witness for each statement and schedule is identified on the specific document.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-40

Request:

Adjustments which are estimated shall be fully supported by basic information reasonably necessary.

Response:

Adjustments are fully supported in UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Sections C and D, as well as the Direct Testimony of UGI Gas Statement Nos. 1 through 11.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-41

Request:

Submit a statement explaining the derivation of the amounts used for projecting future test year level of operations and submit appropriate schedules supporting the projected test year level of operations.

Response:

The schedules shown in UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Section D, reflect this information and are the supporting detail for the Fully Projected Future Test Year for the period ending September 30, 2023. Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1, the Direct Testimony of Tracy A. Hazenstab, UGI Gas Statement No. 2, The Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3, the Direct Testimony of Vicky A. Schappell, UGI Gas Statement No. 5, and the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 7.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-42

Request:

If a company has separate operating divisions, an income statement must be shown for each division, plus an income statement for company as a whole.

Response:

Please refer to Attachment III-A-42 for the requested information.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division**  
**Statements of Income by Division**  
**For the Fiscal Year Ended September 30, 2021**  
*(in thousands)*

	UGI Utilities, Inc. Gas	UGI Utilities, Inc. Electric	UGI Utilities, Inc. Total
<b>Revenues</b>			
Electric Utility Revenues	\$ -	\$ 88,865	\$ 88,865
Gas Utility Revenues	844,497	-	844,497
Other Operating Revenues	127,092	9,647	136,739
<b>Total Operating Revenue</b>	<b>971,589</b>	<b>98,512</b>	<b>1,070,100</b>
<b>Expenses</b>			
Operating Expense	41,274	10,507	51,781
Maintenance Expense	22,446	10,136	32,582
Customer Accounts Operations Expense	34,666	2,970	37,636
Customer Service, Information and Sales Expense	3,028	(57)	2,972
Admin and General Operation Expense	107,859	9,589	117,448
Depreciation and Amortization Expense	109,154	8,012	117,166
Other taxes	8,709	6,455	15,163
Storage, Transportation and Other	404,896	43,276	448,172
Interest Income / Interest Expense	2,907	1,181	4,088
Miscellaneous Income/Expense	840	161	1,001
Long Term Debt Interest	50,204	2,912	53,117
<b>Total Expenses before Taxes</b>	<b>785,983</b>	<b>95,143</b>	<b>881,126</b>
<b>Income Before Taxes</b>	<b>185,606</b>	<b>3,369</b>	<b>188,975</b>
<b>Tax Expense</b>	<b>42,692</b>	<b>136</b>	<b>42,828</b>
<b>Net Income</b>	<b>\$ 142,914</b>	<b>\$ 3,232</b>	<b>\$ 146,146</b>



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-43

Request:

If a company's business extends into different states or jurisdictions, then statements must be shown listing Pennsylvania jurisdictional data, other state data and federal data separately and jointly (Balance sheets and operating accounts).

Response:

Please see Attachment III-A-43.1 (Balance Sheet by state) and Attachment III-A-43.2 (Operating Statement by state).

Additionally, the Carverton Road gate station connects the Auburn II line to the Transco interstate pipeline. In late December 2013, a FERC 63 certificate was issued to PNG (now the North Rate District).

The amounts for the year ended September 30, 2021 are as follows:

Account No.

146404	UGI ENERGY SERVICES A/R - CARVERTON ROAD	\$ 86,324
489026	OTHER REVENUE - CARVERTON ROAD (FERC ORDER 63)	\$1,035,888

Prepared by or under the supervision of: Vivian K. Ressler

UGI UTILITIES, INC. - GAS DIVISION  
BALANCE SHEET BY STATE JURISDICTION AT  
SEPTEMBER 30, 2021  
(thousands of dollars)

	<b><u>Total Company</u></b>	<b><u>Pennsylvania Jurisdiction</u></b>	<b><u>Maryland Jurisdiction</u></b>
Utility Plant	\$ 3,320,845	\$ 3,319,251	\$ 1,594
Other Investments	1,393	1,392	1
Cash and Cash Equivalents	1,033	1,032	0
Accounts Receivable	176,968	176,883	85
Other Receivables	5,501	5,499	3
Other Assets	673,593	673,270	323
Total Assets	<u>\$ 4,179,333</u>	<u>\$ 4,177,327</u>	<u>\$ 2,006</u>
Current and Accrued Liabilities	429,789	429,583	206
Other Non-current Liabilities	130,793	130,730	63
Long-term Debt	1,215,263	1,214,680	583
Other Deferred Liabilities	1,124,405	1,123,866	540
Total Liabilities	<u>\$ 2,900,251</u>	<u>\$ 2,898,859</u>	<u>\$ 1,392</u>
Equity	1,279,083	1,278,469	614
Total Liabilities and Equity	<u>\$ 4,179,333</u>	<u>\$ 4,177,327</u>	<u>\$ 2,006</u>

UGI Utilities, Inc. - Gas Division  
Statement of Operations - by Division  
For Year Ended September 30, 2021  
*(thousands of dollars)*

	Total Company	Pennsylvania Jurisdiction	Maryland Jurisdiction
<b>Revenues</b>			
Gas Utility Revenues	\$ 844,497	\$ 843,875	\$ 622
Other Operating Revenues	127,092	127,092	
<b>Total Operating Revenue</b>	<b>971,589</b>	<b>970,967</b>	<b>622</b>
<b>Expenses:</b>			
Operating Expense	41,274	41,256	18
Maintenance Expense	22,446	22,436	10
Customer Accounts Operations Expense	34,666	34,659	7
Customer Service and Information Operations Expense	965	965	-
Operation Sales Expense	2,063	2,061	1
Admin and General Operation Expense	107,859	107,811	47
Depreciation and Amortization Expense	109,154	109,080	74
Other taxes	8,709	8,707	2
Storage, Transportation and Other	404,896	404,500	396
Interest Income	1,466	1,465	1
Miscellaneous Income/Expense	840	840	-
Long Term Debt Interest	50,204	50,182	22
Other Interest Expense	1,441	1,440	1
<b>Total Expenses before Taxes</b>	<b>785,983</b>	<b>785,402</b>	<b>579</b>
<b>Income Before Taxes</b>	<b>185,606</b>	<b>185,565</b>	<b>43</b>
<b>Tax Expense</b>	<b>42,692</b>	<b>42,673</b>	<b>19</b>
<b>Net Income</b>	<b>\$ 142,914</b>	<b>\$ 142,891</b>	<b>\$ 24</b>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-44

Request:

Ratios, percentages, allocations and averages used in adjustments must be fully supported and identified as to source.

Response:

Ratios, percentages, allocations and averages, where utilized, are detailed in the supporting adjustments to revenue and expenses set forth in UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Section D. Please also refer to the Direct Testimony of UGI Gas Statement Nos. 1 through 11.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-45

Request:

Provide an explanation of any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate case.

Response:

There have been no changes to the allocation methodology.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-46

Request:

Supply a copy of internal and independent audit reports of the test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.

Response:

Please see Attachment III-A-46 for the list of audit reports for the historic test year and prior year. The information contained in these reports is deemed confidential. Any party to the proceeding requiring access to these reports will be afforded the opportunity upon request, subject to the provisions of a Confidentiality Agreement to be entered into between such party and the Company pursuant to a Protective Order.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division  
Listing of Audit Reports**

<b>Entity</b>	<b>Audit Report Name</b>	<b>Auditor</b>	<b>Audit Year</b>	<b>Date Issued</b>
UGI Utilities, Inc.	Audited Financial Statements for UGI Utilities, Inc.	Ernst & Young, LLP	FY 2021	12/15/2021
UGI Utilities, Inc.	UGI Natural Gas - SAP Post Implementation Review	Internal Audit	FY 2021	9/3/2021
UGI Utilities, Inc.	UGI Natural Gas - Privileged Access Management	Internal Audit	FY 2021	7/17/2021
UGI Utilities, Inc.	Safety	Internal Audit	FY 2021	6/24/2021
UGI Utilities, Inc.	Manual Journal Entry	Internal Audit	FY 2021	4/23/2021
UGI Utilities, Inc.	Payroll - Overtime	Internal Audit	FY 2021	4/12/2021
UGI Utilities, Inc.	Fixed Assets	Internal Audit	FY 2021	12/10/2020
UGI Utilities, Inc.	Audited Financial Statements for UGI Utilities, Inc.	Ernst & Young, LLP	FY 2020	12/15/2020
UGI Utilities, Inc.	Compromise Assessment	Internal Audit	FY 2020	10/26/2020
UGI Utilities, Inc.	System Development Life Cycle	Internal Audit	FY 2020	9/21/2020
UGI Utilities, Inc.	FERC Gas Transactions	Internal Audit	FY 2020	9/15/2020
UGI Utilities, Inc.	Order-to-Cash Natural Gas Review	Internal Audit	FY 2020	7/10/2020
UGI Utilities, Inc.	Wire Fraud IT Investigation	Internal Audit	FY 2020	7/14/2020
UGI Utilities, Inc.	Intercompany Transactions Audit	Internal Audit	FY 2020	5/6/2020
UGI Utilities, Inc.	Data Center Audit	Internal Audit	FY 2020	5/6/2020
UGI Utilities, Inc.	Backup Process and Backup Data Management	Internal Audit	FY 2020	3/6/2020

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-47

Request:

Submit a schedule showing rate of return on facilities allocated to serve wholesale customers.

Response:

There are no facilities allocated for the provision to serve wholesale customers.

Prepared by or under the supervision of: Christopher R. Brown



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-48

Request:

Provide a copy of the latest capital stock tax report and the latest capital stock tax settlement.

Response:

Not applicable. The PA Capital Stock tax was eliminated for tax years beginning January 1, 2016. Last filed PA Capital Stock tax return was for tax year ending 9/30/2016.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-49

Request:

Submit details of calculations for Taxes, Other than Income where a company is assessed taxes for doing business in another state, or on its property located in another state.

Response:

Details of Taxes, Other Than Income where UGI Gas is assessed taxes for doing business in another state, or on its property in another state for the period ended September 30, 2021 are listed below:

1.	Maryland (Property, Franchise and PSC taxes):	\$22,811
2.	West Virginia (Public Utility Tax):	\$13,683
	Total:	\$36,494

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-50

Request:

Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories:

- a. social security
- b. unemployment
- c. capital stock
- d. public utility realty
- e. P.U.C. assessment
- f. other property
- g. any other appropriate categories

Response:

Refer to UGI Gas Exhibit A, Schedules D-31 and D-32 for the Historic, Future, and Fully Projected Future test years.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-51

Request:

Submit a schedule showing for the last five years the income tax refunds, plus interest (net of taxes), received from the federal government due to prior years' claims.

Response:

None.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-52

Request:

Provide detailed computations showing the deferred income taxes derived by using accelerated tax depreciation applicable to post-1969 utility property increases productive capacity, and ADR rates on property. (Separate between state and federal; also, rate used)

- a. State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
- b. Reconcile any difference between the deferred tax balance, as shown as a reduction to measures of value (rate base), and the deferred tax balance as shown on the balance sheet.

Response:

See Schedules D-33 and D-34 in Exhibit A (Historic), Exhibit A (Future), and Exhibit A (Fully Projected) for the computation of federal and state deferred income taxes.

- a. Tax depreciation subject to normalization is based on depreciable property as of the end of the test year. Further, tax depreciation is annualized as of the end of the test year period.
- b. The accumulated deferred tax balance, as shown as a reduction to measures of value, represents the annualized balance based on the plant in service included in the measures of value, and then pro-rated according to the normalization rules under Treasury Regulation 1.167(l)-1(h)(6)(ii). The balance sheet represents the budgeted balance.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-53

Request:

Submit a schedule showing a breakdown of the deferred income taxes by state and federal per books, pro-forma existing rates, and under proposed rates.

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-33.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-54

Request:

Submit a schedule showing a breakdown of accumulated investment tax credits (3 percent, 4 percent, 7 percent, 10 percent and 11 percent), together with details of methods used to write-off the unamortized balances.

Response:

As of fiscal year ended September 30, 2021, the amount of UGI Gas' accumulated 3% investment tax credit was \$1,676,149.

This investment credit is amortized on a straight-line basis. The annual amortization of the credit is \$318,420.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

---

III-A-55

Request:

Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro-forma under existing rates, together with an explanation of any difference between the adjustments. Indicate charitable donations and contributions in the tax calculation for rate making purposes.

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedules A-1, D-1, D-33 and D-34. For ratemaking purposes, charitable donations and contributions are not being claimed and are excluded from test year data.

Prepared by or under the supervision of: Nicole M. McKinney



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-56

Request:

Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

Response:

Please see Attachment III-A-56.

UGI Gas has established nexus for income tax purposes in other states due to having storage inventory in those states. Because of having nexus with those states, it files tax returns with income allocated to those states. Income is allocated according to the apportionment rules for each state. Attachment III-A-56 reflects that allocation of taxable income.

Prepared by or under the supervision of: Nicole M. McKinney

**UGI Utilities, Inc. - Gas Division**  
**Allocation of Income to Other States, Other Operating Divisions, & Non-Utility Operations**  
**Historic Test Year - 9/30/21**  
**In Thousands (000)**

	(1) As Filed	(2) PA	(3) Non-PA
Revenue	856,466	856,439	641
Operating Expenses	(499,291)	(499,276)	(374)
Depr & Amort	(109,154)	(109,150)	(82)
Taxes Other Than Income	(8,709)	(8,708)	(7)
Total Operating Expenses	<u>(617,154)</u>	<u>(617,135)</u>	<u>(462)</u>
Interest Expense	(50,148)	(50,146)	(38)
Book/Tax Depr Adj	<u>(77,524)</u>	<u>(77,522)</u>	<u>(58)</u>
Taxable Income	111,640	111,637	84

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-57

Request:

Submit detailed calculations showing the derivation of deferred income taxes for amortization of repair allowance if such policy is followed.

[Note: Submit additional schedules if the company has more than one accounting area.]

Response:

Please See Exhibit A, Schedule D-33 (Historic); Exhibit A, Schedule D-33 (Future); and Exhibit A, Schedule D-33 (Fully Projected) for the repairs deferred income tax expense for each of the respective years.

Please see Exhibit A, Schedule C-6 (Historic); Exhibit A, Schedule C-6 (Future); and Exhibit A Schedule C-6 (Fully Projected) for the repairs accumulated deferred income tax balance for each of the respective years.

Also, please see the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 7 for an explanation of the Company's regulatory treatment of the repairs tax allowance.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-58

Request:

Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits and reserves by accounting areas.

Response:

See UGI Gas Exhibit A, Schedule C-6 (Historic) for deferred taxes relative to plant in service.

The net value of deferred taxes on items other than plant in service at fiscal year ended 9/30/2021 is a deferred tax liability of \$40,129,243.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-59

Request:

Provide details of the Federal Surtax Credit allocated to the Pennsylvania jurisdictional area, if applicable.

Response:

Not applicable.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-60

Request:

Explain the reason for the use of cost of removal of any retired plant figures in the income tax calculations.

Response:

For income tax purposes, the cost of removal is deductible in the year incurred. For book purposes, the cost is amortized over 60 months.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

---

III-A-61

Request:

Submit the corresponding data applicable to Pennsylvania Corporate Income Tax deferment.

- a. Show the amounts of straight line tax depreciation and accelerated tax depreciation, the difference between which gave rise to the normalizing tax charged back to the test year operating statement.
- b. Show normalization for both Federal and State Income Taxes.
- c. Show tax rates used to calculate tax deferment amount.

Response:

- a. & b. Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), UGI Gas Exhibit A (Fully Projected), Schedules D-33 and D-34, which provide details of the deferred income taxes from normalized depreciation separately for Federal and State.
- c. The U.S. gross federal income tax rate is 21%, but net of the federal benefit for state taxes it becomes 18.90%. The state tax rate is 9.99%.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

---

III-A-62

Request:

Provide the accelerated tax depreciation and the book depreciation used to calculate test year deferrals in amounts segregated as follows:

For:

- a. Property installed prior to 1970
- b. Property installed subsequent to 1969 (indicate increasing capacity additions and nonincreasing capacity additions).

Response:

- a. There is no property installed prior to 1970 for tax purposes.
- b. Tax depreciation related to accelerated cost recovery system (ACRS) and modified accelerated cost recovery system (MACRS) is calculated on the full taxable basis and income taxes are normalized on the difference between ACRS/MACRS depreciation and book depreciation. For property installed subsequent to 1969, see Section D, Schedule D-34 within UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected).

Prepared by or under the supervision of: Nicole M. McKinney



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-63

Request:

State whether all tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income. (If not, explain).

Response:

All tax savings have been passed through and UGI Gas has no remaining accelerated depreciation on property installed prior to 1970.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-64

Request:

Show any income tax loss/gain carryovers from previous years that may effect test year income taxes or future year income taxes. Show loss/gain carryovers by years of origin and amounts remaining by years at the end of the test year.

Response:

Not applicable.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

---

III-A-65

Request:

State whether the company eliminates any tax savings by the payment of actual interest on construction work in progress not in rate base claim.

If response is affirmative:

- a. Set forth amount of construction claimed in this tax savings reduction. Explain the basis for this amount.
- b. Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
- c. State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
- d. Provide details of calculation to determine tax saving reduction. State whether state taxes are increased to reflect the construction interest elimination.

Response:

No. Interest deduction for rate making purposes is synchronized with the interest component of the capital structure.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

---

III-A-66

Request:

Provide a detailed analysis of Taxes Accrued per books as of the test year date. Also supply the basis for the accrual and the amount of taxes accrued monthly.

Response:

Please see Attachments III-A-66.1 (Historic), III-A-66.2 (Future), and III-A-66.3 (Fully Projected).

Prepared by or under the supervision of: Nicole M. McKinney

**UGI Utilities, Inc. - Gas Division**  
**Schedule of Taxes Accrued per Books - Historic Test Year**  
**Twelve Months Ended September 30, 2021**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Amount</u>	<u>Basis for Accrual of Tax</u>	<u>Amount of Tax Accrued Monthly</u>
PA Public Utility Realty Tax	(280)	Tax is based on assessed valuation of the company's taxable real property.	Monthly accrual is one twelfth of total estimated tax.
PA Unemployment Tax	(104)	Tax based on employer's unemployment rate multiplied by a maximum of \$10,000 per employee.	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Use Tax	(1)	Tax based on taxable purchases on which sales tax has not been charged at the rate of 6%.	Accrual computed monthly by applying the tax rate to applicable purchases.
Federal Unemployment Tax	157	Tax is based on the first \$7,000 earned by an employee at a taxable rate of 6%.	Accrual is computed monthly by applying the tax rate to taxable earnings.
FICA	47	Tax for OASDI is based on the first \$142,800 earned by an employee at a taxable rate of 6.2%. Tax for HI is based on all wages at a taxable rate of 1.45%	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Corporate Net Income Tax	(1,339)	Tax is based on taxable net income as defined by the Pennsylvania Department of Revenue at the current rate of 9.99%. Note, the amount reflected is negative due to cash payments exceeding accrued tax expense.	Accrual is computed monthly by applying the rate to taxable income for the month.
Federal Income Tax	(3,188)	Tax is based on taxable net income as defined by and reported to the IRS. Current rate is 21% of taxable income. Note, the amount reflected is negative due to cash payments exceeding accrued tax expense.	Accrual is computed monthly by applying the rate to taxable income for the month.
	<u>\$ (4,709)</u>		

**UGI Utilities, Inc. - Gas Division**  
**Schedule of Taxes Accrued per Books - Future Test Year**  
**Twelve Months Ended September 30, 2022**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Amount</u>	<u>Basis for Accrual of Tax</u>	<u>Amount of Tax Accrued Monthly</u>
PA Public Utility Realty Tax	0	Tax is based on assessed valuation of the company's taxable real property.	Monthly accrual is one twelfth of total estimated tax.
PA Unemployment Tax	0	Tax based on employer's unemployment rate multiplied by a maximum of \$10,000 per employee.	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Use Tax	(1)	Tax based on taxable purchases on which sales tax has not been charged at the rate of 6%.	Accrual computed monthly by applying the tax rate to applicable purchases.
Federal Unemployment Tax	0	Tax is based on the first \$7,000 earned by an employee at a taxable rate of 6%.	Accrual is computed monthly by applying the tax rate to taxable earnings.
FICA	0	Tax for OASDI is based on the first \$147,000 earned by an employee at a taxable rate of 6.2%. Tax for HI is based on all wages at a taxable rate of 1.45%	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Corporate Net Income Tax	0	Tax is based on taxable net income as defined by the Pennsylvania Department of Revenue at the current rate of 9.99%	Accrual is computed monthly by applying the rate to taxable income for the month.
Federal Income Tax	0	Tax is based on taxable net income as defined by and reported to the IRS. Current rate is 21% of taxable income.	Accrual is computed monthly by applying the rate to taxable income for the month.
	<u>\$ (1)</u>		

**UGI Utilities, Inc. - Gas Division**  
**Schedule of Taxes Accrued per Books - Fully Projected Future Test Year**  
**Twelve Months Ended September 30, 2023**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Amount</u>	<u>Basis for Accrual of Tax</u>	<u>Amount of Tax Accrued Monthly</u>
PA Public Utility Realty Tax	0	Tax is based on assessed valuation of the company's taxable real property.	Monthly accrual is one twelfth of total estimated tax.
PA Unemployment Tax	0	Tax based on employer's unemployment rate multiplied by a maximum of \$10,000 per employee.	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Use Tax	(1)	Tax based on taxable purchases on which sales tax has not been charged at the rate of 6%.	Accrual computed monthly by applying the tax rate to applicable purchases.
Federal Unemployment Tax	0	Tax is based on the first \$7,000 earned by an employee at a taxable rate of 6%.	Accrual is computed monthly by applying the tax rate to taxable earnings.
FICA	0	Tax for OASDI is based on the first \$147,000 earned by an employee at a taxable rate of 6.2%. Tax for HI is based on all wages at a taxable rate of 1.45%	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Corporate Net Income Tax	0	Tax is based on taxable net income as defined by the Pennsylvania Department of Revenue at the current rate of 9.99%	Accrual is computed monthly by applying the rate to taxable income for the month.
Federal Income Tax	0	Tax is based on taxable net income as defined by and reported to the IRS. Current rate is 21% of taxable income.	Accrual is computed monthly by applying the rate to taxable income for the month.
	<u>\$ (1)</u>		

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-67

Request:

For the test year as recorded on test year operating statement:

- a. Supply the amount of federal income taxes actually paid.
- b. Supply the amount of the federal income tax normalizing charge to tax expense due to excess of accelerated tax depreciation over book depreciation.
- c. Supply the normalizing tax charge to federal income taxes for the 10% Job Development Credit during test year.
- d. Provide the amount of the credit of federal income taxes due to the amortization or normalizing yearly debit to the reserve for the 10% Job Development Credit.
- e. Provide the amount of the credit to federal income taxes for the normalizing of any 3% Investment Tax Credit Reserve that may remain on the utility books.

Response:

- a & b. Refer to UGI Gas Exhibit A, Schedule D-33 for the Historic, Future, and Fully Projected test years.
- c & d. None.
- e. \$318,420.

Prepared by or under the supervision of: Nicole M. McKinney



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-68

Request:

Provide the debit and credit in the test year to the Deferred Taxes due to Accelerated Depreciation for federal income tax, and provide the debit and credit for the Job Development Credits (whatever account) for test year.

Response:

The debit and credit in the test year to the Deferred Taxes due to Accelerated Depreciation for federal income tax is as follows:

A/C #	Account Description	Debit	Credit
00410XXX	Deferred Tax Expense	\$XXX,XXX	
00282XXX	Accumulated Deferred Taxes		\$XXX,XXX

UGI Gas has no Job Development Credits.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-69

Request:

Reconcile all data given in answers to questions on income taxes charged on the test year operating statement with regard to income taxes paid, income taxes charged because of normalization and credits due to yearly write-offs of past years' income tax deferrals, and from normalization of investment tax and development credits. (Both state and federal income taxes.)

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Section D, Schedules D-33 and D-34. Also, refer to the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 7.

UGI Gas does not have development credits.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-70

Request:

With respect to determination of income taxes, federal and state:

- a. Show income tax results of the annualizing and normalizing adjustments to the test year record before any rate increase.
- b. Show income taxes for the annualized and normalized test year.
- c. Show income tax effect of the rate increase requested.
- d. Show income taxes for the normalized and annualized test year after application of the full rate increase.

[It is imperative that continuity exists between the income tax calculations as recorded for the test year and the final income tax calculation under proposed rates. If the company has more than one accounting area, then additional separate worksheets must be provided in addition to those for total company.]

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Section D, Schedules D-33 and D-34.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2022

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III-A-71

Request:

In adjusting the test year to an annualized year under present rates, explain any changes that may be due to book or tax depreciation change and to debits and credits to income tax expense due to accelerated depreciation, deferred taxes, job development credits, tax refunds or other items.

(The above refers only the adjustments going from recorded test year to annualized test year.)

Response:

Adjustments relative to the subject matter were made to recorded data to annualize the years' data and are based on property balances at the end of the test year to reflect a full year's expense of deferral. See the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 7.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-1

Request:

If Unrecovered Fuel Cost policy is implemented, provide the following:

- a. State manner in which amount of Unrecovered Fuel Cost on balance sheet at the end of the test year was determined, and the month in test year in which such fuel expense was actually incurred. Provide amount of adjustment made on the rate case operating account for test year-end unrecovered fuel cost. (If different than balance sheet amount, explain.)
- b. Provide amount of Unrecovered Fuel Cost that appeared on the balance sheet at the opening date of the test year, and the manner in which it was determined. State whether this amount is in the test year operating account.

Response:

Please see Attachment III-E-1.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Unrecovered Fuel Costs and Revenues  
For the periods ending September 30, 2020 and 2021  
U.S. Dollars in Thousands

Month	Year	Fuel Costs	Revenues	Under (Over) Collection
October	2019	15,641	11,629	4,011
November	2019	34,905	24,096	10,809
December	2019	50,427	42,293	8,134
January	2020	52,699	55,304	(2,605)
February	2020	41,623	54,884	(13,261)
March	2020	36,884	42,660	(5,776)
April	2020	15,287	26,685	(11,399)
May	2020	12,053	13,586	(1,532)
June	2020	9,253	7,460	1,793
July	2020	8,801	4,807	3,994
August	2020	8,843	4,602	4,241
September	2020	9,730	6,187	3,543
October	2020	7,316	7,877	(560)
November	2020	25,244	14,334	10,910
December	2020	41,256	33,994	7,262
January	2021	44,984	47,674	(2,690)
February	2021	50,341	49,207	1,133
March	2021	38,340	48,327	(9,987)
April	2021	15,703	24,161	(8,458)
May	2021	11,710	13,549	(1,839)
June	2021	8,908	8,144	764
July	2021	8,141	5,075	3,065
August	2021	8,258	4,746	3,513
September	2021	7,423	5,168	2,254
Beginning Balance as of 9/30/2019				546
Purchased Fuel Cost Adjustment				<u>7,318</u>
Unrecovered Purchased Fuel Cost as of 9/30/2021				<u>\$ 7,865</u>

\* For further information regarding the unrecovered purchased fuel cost, please refer to the 1307(f) filing.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-2

Request:

Provide details of items and amounts comprising the accounting entries for Deferred Fuel Cost at the beginning and end of the test year.

Response:

Refer to Attachment III-E-1 for an analysis of entries made to the Deferred Fuel Cost Account during the Fully Projected Future Test Year.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-3

Request:

Submit a schedule showing a reconciliation of test year MCF sales and line losses. List all amounts of gas purchased, manufactured and transported.

Response:

The data is provided below for the Historic Year:

Throughput -	309,310,561 Mcf
Company Use Gas -	397,967 Mcf
Line Loss -	684,594 Mcf
Total Sendout -	310,393,123 Mcf

Prepared by or under the supervision of: Christopher R. Brown



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-4

Request:

Provide detailed calculations substantiating the adjustment to revenues for annualization of changes in number of customers and annualization of changes in volume sold for all customers for the test year.

- a. Break down changes in number of customers by rate schedules.
- b. If an annualization adjustment for changes in customers and changes in volume sold is not submitted, please explain.

Response:

- a. Please see the Direct Testimony of Sherry A. Epler, UGI Gas Statement No. 8.
- b. Not applicable.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-5

Request:

Submit a schedule showing the sources of gas supply associated with annualized MCF sales.

Response:

Please see the response to III-E-30.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-6

Request:

Supply, by classification, Operating Revenues--Miscellaneous for test year.

Response:

Please refer to Attachment III-E-6 for a schedule of Operating Revenues – Miscellaneous for the years ended September 30, 2021-2023.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Operating Revenues - Miscellaneous  
For the Years Ended September 30, 2021, 2022, and 2023  
(\$ in Thousands)

<b>Account No.</b>	<u>Actual 12 Months 9/30/2021</u>	<u>Budgeted 12 Months 9/30/2022</u>	<u>Budgeted 12 Months 9/30/2023</u>
487 Forfeited Discounts	\$ 4,881	\$ 5,555	\$ 5,603
488 Miscellaneous Service Revenues	\$ 1,277	\$ 923	\$ 923
493 Rent from Gas Property	\$ 2,283	\$ 2,338	\$ 2,338
495 Other Gas Revenues	\$ 3,192	\$ 1,075	\$ 1,075
Total	<u>\$ 11,633</u>	<u>\$ 9,891</u>	<u>\$ 9,939</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-7

Request:

Provide details of respondent's attempts to recover uncollectible and delinquent accounts.

Response:

The Company performs collections activities on all active accounts in accordance with applicable Commission requirements. When those collection activities are exhausted, UGI Gas refers bad debt placements to a collection agency for continuing collection action. When the service is closed, the customer receives a closing bill. Placements are sent to the collection agency within sixty (60) days after the service is closed. The day after the final bill is due, a Final Bill Reminder is mailed. The reminder states that their balance must be paid to avoid being turned over to a collection agency. Fourteen (14) days later the account is sent to collections.\*

\*Due to the financial impact many households were facing at the start of the pandemic, on March 20th, 2020, the Company advised the third party collection agencies to cease collection activities on all accounts placed. The Company advised the agencies to resume collection efforts on October 9th, 2020.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-8

Request:

Describe how the net billing and gross billing is determined. For example, if the net billing is based on the rate blocks plus FCA and STA, and the gross billing is determined by a percentage increase (1, 3 or 5 percent), then state whether the percentage increase is being applied to all three items of revenue--rate blocks plus FCA and STA.

Response:

- A. The total net bill is the sum of:
1. Tariff Amount – calculated as the volume of usage priced through the rate schedule tables.
  2. Currently effective surcharges.
  3. Sales Tax – calculated as the product of the current sales tax percentage (6%) and the sum of the above. Sales tax is not applied to residential customers when the purchase of natural gas is solely for the purchaser's own residential use and non-residential customers are exempt from sales tax if the purchaser is entitled to claim an exemption under Chapter 61 of the Pa. Code § 32.25 subsection (d). If a tax exemption certificate is on file for these non-residential customers, the tax base is adjusted in accordance with the exemption certificate.
- B. The gross bill is the sum of:
1. Total net bill as described above.
  2. Late payment charges on any unpaid previous balance, if any, as of the billing date.
  3. Late payment charge for payment made after the due date (see III-E-9 for details on late payment charges applied).

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-8 (Continued)

- C. The percentage increase (late payment charge) is applied to the base tariff rate and the State Tax Adjustment Surcharge. The late payment charge is not applied to Sales Tax or to previously applied late payment charges.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-9

Request:

Describe the procedures involved in determining whether forfeited discounts or penalties are applied to customer billing.

Response:

Please refer to UGI Gas Exhibit F, Rules 8.7 and 8.8 of the current tariff for UGI Utilities, Inc. – Gas Division.

Prepared by or under the supervision of: Vivian K. Ressler



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-10

Request:

Provide annualization of revenues as a result of rate changes occurring during the test year, at the level of operations as of end of the test year.

Response:

Please see the Direct Testimony of Sherry A. Epler, UGI Gas Statement No. 8, for detail on the annualization of revenues.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-11

Request:

Provide a detailed billing analysis supporting present and proposed rates by customer classification and/or tariff rate schedule.

Response:

Please see UGI Gas Exhibit E - Proof of Revenue.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-12

Request:

Provide a schedule showing residential and commercial heating sales by unit (MCF) per month and degree days for the test year and three preceding twelve month periods.

Response:

Please see Attachment III-E-12.

Prepared by or under the supervision of: Sherry A. Epler

**UGI Utilities, Inc. - Gas Division  
Residential and Commercial Heating Sales (Mcf's)**

	October	November	December	January	February	March	April	May	June	July	August	September	Total	
<u>Degree Days</u>														
2019-2020		266	764	923	916	822	595	488	217	13	-	0	88	5,091
2020-2021		309	507	940	1,025	969	649	388	204	12	-	-	53	5,056
2021-2022		350	672	952	1,120	962	805	414	164	30	-	16	83	5,568
2022-2023		350	672	952	1,120	962	805	414	164	30	-	16	83	5,568
<u>Residential Heating Sales (Mcf's) Rate R &amp; RT</u>														
2019-2020	1,977,891	6,014,209	8,925,233	8,104,445	6,714,931	4,895,846	4,566,434	2,185,065	1,053,201	888,240	580,207	994,831	46,900,533	
2020-2021	2,169,174	5,120,377	7,562,594	9,345,589	8,819,953	5,917,015	3,366,585	1,808,723	872,642	845,836	818,636	783,903	47,431,027	
2021-2022	2,671,769	5,862,928	8,291,318	10,361,516	8,141,334	6,976,232	3,690,878	1,526,097	925,626	729,249	775,573	1,193,342	51,145,864	
2022-2023	2,700,030	5,934,777	8,395,143	10,487,388	8,236,456	7,062,737	3,738,507	1,543,663	937,351	738,223	784,965	1,207,730	51,766,968	
<u>Commercial Heating Sales (Mcf's) Rate N, NT &amp; DS</u>														
2019-2020	1,590,284	4,390,483	4,778,368	5,665,205	5,297,323	3,816,666	2,154,147	1,221,720	700,738	675,299	618,799	812,414	31,721,446	
2020-2021	1,605,896	3,133,009	4,986,324	6,144,334	5,700,403	4,044,056	2,339,529	1,359,270	780,178	785,422	797,097	832,960	32,508,479	
2021-2022	1,806,771	3,840,822	5,317,283	6,817,421	5,385,910	4,788,579	2,742,425	1,192,713	872,489	719,783	737,003	1,008,125	35,229,324	
2022-2023	1,826,604	3,876,925	5,368,979	6,879,232	5,437,894	4,832,754	2,759,830	1,201,489	878,119	724,695	741,897	1,015,244	35,543,663	

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-13

Request:

Provide a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Also, provide an explanation of any change in block structure and the reasons therefor.

Response:

Please see UGI Gas Exhibit E – Proof of Revenue and the Direct Testimony of Sherry A. Epler, UGI Gas Statement No. 8.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-14

Request:

Provide the following statements and schedules. The schedules and statements for the test year portion should be reconciled with the summary operating statement.

- a. An operating revenues summary for the test year and the year preceding the test year showing the following (Gas MCF):
  - (i) For each major classification of customers
    - (a) MCF sales
    - (b) Dollar Revenues
    - (c) Forfeited Discounts (Total if not available by classification)
    - (d) Other and Miscellaneous revenues that are to be taken into the utility operating account along with their related costs and expenses.
  - (ii) A detailed explanation of all annualizing and normalizing adjustments showing method utilized and amounts and rates used in calculation to arrive at adjustment.
  - (iii) Segregate, from recorded revenues from the test year, the amount of revenues that are contained therein, by appropriate revenue categories, from:
    - (a) Fuel Adjustment Surcharge
    - (b) State Tax Surcharge
    - (c) Any other surcharge being used to collect revenues.
    - (d) Provide explanations if any of the surcharges are not applicable to respondent's operations.

[The schedule should also show number of customers and unit of sales (Mcf), and should provide number of customers by service classification at beginning and end of test year.]

- b. Provide details of sales for resale, based on periods five years before and projections for five years after the test year, and for the test year. List customers, Mcf sold,

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-14 (Continued)

revenues received, source of Mcf sold (storage gas, pipeline gas, manufactured gas, natural or synthetic), contracted or spot sales, whether sales are to affiliated companies, and any other pertinent information.

Response:

- a. (i)(a) Please see Attachment III-E-19.
- (i)(b)-(d) Please see UGI Gas Exhibit A, Schedule D-5 (Historic), UGI Gas Exhibit A, Schedule D-5 (Future), and UGI Gas Exhibit A, Schedule D-5 (Fully Projected).
- (ii) Please see the Direct Testimony of Sherry A. Epler, UGI Gas Statement No. 8.
- (iii) Please see UGI Gas Exhibit E, Proof of Revenue.
- b. None.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-15

Request:

State manner in which revenues are being presented for ratemaking purposes:

- a. Accrued Revenues
- b. Billed Revenues
- c. Cash Revenues

Provide details of the method followed.

Response:

Fully Projected Test Year revenues at present and proposed rates are based upon a calculation applying present rates to projected volumes and number of customers and proposed rates to projected volumes and number of customers.

Prepared by or under the supervision of: Sherry A. Epler



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-16

Request:

If revenue accruing entries are made on the books at end of each fiscal period, give entries made accordingly at the end of the test year and at the beginning of the year. State whether they are reversed for ratemaking purposes.

Response:

The amount of unbilled revenue accrued at September 30, 2021 and September 30, 2020 for UGI Gas was \$4,555,456 and \$11,325,496, respectively. The Company annualizes revenue for ratemaking purposes eliminating the impacts of unbilled revenues.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-17

Request:

State whether any adjustments have been made to expenses in order to present such expenses on a basis comparable to the manner in which revenues are presented in this proceeding (i.e.--accrued, billed or cash).

Response:

No such adjustments have been made to expenses. Expenses are presented on a basis comparable to the manner in which revenues are presented.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-18

Request:

If the utility has a Fuel Adjustment Clause:

- a. State the base fuel cost per MCF chargeable against basic customers' rates during the test year. If there was any change in this basic fuel charge during the test year, give details and explanation thereof.
- b. State the amount in which the fuel adjustment clause cost per MCF exceeds the fuel cost per MCF charged in base rates at the end of the test year.
- c. If fuel cost deferment is used at the end of the test year, give
  - (i) The amount of deferred fuel cost contained in the operating statement that was deferred from the 12-month operating period immediately preceding the test year.
  - (ii) The amount of deferred fuel cost that was removed from the test period and deferred to the period immediately following the test year.
- d. State the amount of Fuel Adjustment Clause revenues credited to the test year operating account.
- e. State the amount of fuel cost charged to the operating expense account in the test year which is the basis of Fuel Adjustment Clause billings to customers in that year. Provide summary details of this charge.
- f. From the recorded test year operating account, remove the Fuel Adjustment Clause Revenues. Also remove from the test year recorded operating account the excess of fuel cost over base rate fuel charges, which is the basis for the Fuel Adjustment charges. Explain any difference between FAC Revenues and excess fuel costs. [The above is intended to limit the operating account to existing customers' base rate revenues and expense deductions relative thereto].

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-18 (Continued)

Response:

The Company does not have a Fuel Adjustment Clause. The Company recovers its purchased gas costs through purchased gas cost rates under Section 1307(f) of the Public Utility Code.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-19

Request:

Provide growth patterns of usage and customer numbers per rate class, using historical and projected data.

Response:

Please see Attachment III-E-19.

Prepared by or under the supervision of: Sherry A. Epler

**UGI Utilities, Inc. - Gas Division**  
**Usage and Customer Growth Patterns for Period Ending September 30**

<u>Number of Customers</u> <u>September Year End</u>	September <u>2019</u>	September <u>2020</u>	September <u>2021</u>	September <u>2022</u>	September <u>2023</u>
Residential	504,640	516,177	523,495	528,286	535,853
Commercial	48,175	49,213	49,270	50,276	50,853
Industrial	669	674	707	658	655
Subtotal-Retail	<u>553,484</u>	<u>566,064</u>	<u>573,472</u>	<u>579,220</u>	<u>587,361</u>
Transportation-Other	100,932	102,931	98,190	101,309	101,309
Total	<u>654,416</u>	<u>668,995</u>	<u>671,662</u>	<u>680,529</u>	<u>688,670</u>
	September	September	September	September	September
<u>Total Fiscal Year Sales (Mcf's)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	43,463,105	41,103,074	41,637,491	44,965,329	45,375,042
Commercial	16,320,554	15,004,683	15,278,823	16,855,488	17,131,340
Industrial	808,368	763,306	815,322	735,076	726,341
Subtotal-Retail	<u>60,592,027</u>	<u>56,871,063</u>	<u>57,731,636</u>	<u>62,555,894</u>	<u>63,232,723</u>
Transportation-Other	233,171,072	253,411,360	251,052,031	275,544,455	277,163,854
Total	<u>293,763,099</u>	<u>310,282,423</u>	<u>308,783,667</u>	<u>338,100,349</u>	<u>340,396,577</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-20

Request:

Provide, for test year only, a schedule by tariff rates and by service classifications showing proposed increase and percent of increase.

Response:

Please see UGI Gas Exhibit E - Proof of Revenue and the Direct Testimony of Sherry A. Epler, UGI Gas Statement No. 8.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-21

Request:

If a gas company is affiliated with another utility segment, such as a water or electric segment, explain the effects, if any, upon allocation factors used in the gas rate filing of current or recent rate increases allowed to the other utility segment (or segments) of the company.

Response:

UGI Utilities, Inc. owns both gas and electric divisions.

UGI Gas incurs costs for services provided by UGI Corp., and other affiliated companies, in accordance with affiliated interest arrangements authorized by the Commission. UGI also allocates or assigns costs between UGI Electric and UGI Gas. All costs which can be identified as pertaining exclusively to an operating unit are billed directly to that unit. Those costs which cannot be directly associated with the operation of an individual operating unit are allocated to the various companies benefiting from the service. Allocations are done by a methodology applicable to the cost (e.g., budgeted time allocations, number of employees, etc.) or, if no one methodology is specific to the cost, by a formula referred to as the Modified Wisconsin Formula ("MWF"). The MWF achieves an equitable distribution of common expenses based on the relative activity and size of each operating unit to the total of all operating units, which benefit from the respective activities. Activity is measured by total revenues and total operating expenses and size is measured by tangible net assets employed (excluding acquisition goodwill).

The proposed rates of UGI Gas are not based on any increase granted to any other affiliated utility segment.

Prepared by or under the supervision of: Tracy A. Hazenstab



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-22

Request:

Provide supporting data detailing curtailment adjustments, procedures and policies.

Response:

The Company did not have any curtailment adjustments during the historic test year ending September 30, 2021, and is not claiming any curtailment adjustments in its future test year or fully projected future test year. In addition, the Company follows curtailment procedures and policies as specified in its Gas Tariffs on file with the Commission. Please refer to UGI Gas Exhibit F, Section 21, Gas Emergency Planning, of the Company's current tariff.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-23

Request:

Submit a schedule showing fuel cost in excess of base compared to fuel cost recovery for the period two months prior to test year and the test year.

Response:

There are no fuel costs in excess of base compared to fuel cost recovery.

All of the Company's fuel costs are recovered through its annual purchased gas cost filing made pursuant to Section 1307(f) of the Public Utility Code.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-24

Request:

Supply a detailed analysis of Purchased Gas for the test year and the twelve month period prior to the test year.

Response:

Please refer to UGI Gas Docket No. R-2021-3025652 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filing which can be found at URL <https://www.puc.pa.gov/docket/R-2021-3025652>.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-25

Request:

Submit calculations supporting energy cost per MCF and operating ratio used to determine increase in costs other than production to serve additional load.

Response:

The energy cost per Mcf is developed as part of each annual and quarterly 1307(f) filing submitted to the Commission. Please refer to UGI Gas Docket No. R-2021-3025652 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filing which can be found at URL <https://www.puc.pa.gov/docket/R-2021-3025652>.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-26

Request:

Submit detailed calculations for bulk gas transmission service costs under supply and/or interconnection agreements.

Response:

UGI Gas incurs no bulk gas transmission costs under supply and/or interconnection agreements.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-27

Request:

Submit a schedule for gas producing units retired or scheduled for retirement subsequent to the test year showing station, units, MCF capacity, hours of operation during test year, net output produced and cents/MCF of maintenance and fuel expenses.

Response:

UGI Gas did not have any gas producing units retired or scheduled for retirement subsequent to the test year.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-28

Request:

Provide a statement explaining the details of firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities, including determination of costs, terms of contract, and other pertinent information.

Response:

UGI Gas does not have any firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-29

Request:

Provide intrastate operations percentages by expense categories for two years prior to the test year.

Response:

The majority of the operations of UGI Gas are intrastate. UGI Gas has a small percentage of operations in Maryland under the jurisdiction of the Maryland Public Service Commission. The allocation factor used to assign the costs to the Maryland operation is based on test year sales. Please see Attachment III-E-29.

Prepared by or under the supervision of: Tracy A. Hazenstab



UGI Utilities, Inc. - Gas Division  
Base Rate Case Expense Allocation  
Sales (Mcf)

	Actual HTY (FY 21)	Budget FTY (FY 22)	Budget FPFTY (FY 23)
PA Volume	314,541,241	339,580,851	342,165,065
Maryland Volume	137,247	138,048	140,603
Maryland Allocation	0.044%	0.041%	0.041%
PA Allocation	99.956%	99.959%	99.959%

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-30

Request:

Provide a schedule showing suppliers, MCF purchased, cost (small purchases from independent suppliers may be grouped); emergency purchases, listing same information; curtailments during the year; gas put into and taken out of storage; line loss, and any other gas input or output not in the ordinary course of business.

Response:

Please refer to UGI Gas Docket No. R-2021-3025652 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filings which can be found at URL <https://www.puc.pa.gov/pdocs/1705894.pdf>.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-31

Request:

Provide a schedule showing the determination of the fuel costs included in the base cost of fuel.

Response:

Please refer to UGI Gas Docket No. R-2021-3025652 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filing which can be found at URL <https://www.puc.pa.gov/docket/R-2021-3025652>.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-32

Request:

Provide a schedule showing the calculation of any deferred fuel costs shown in Account 174. Also, explain the accounting, with supporting detail, for any associated income taxes.

Response:

Please see Attachment III-E-32.

Because the tax treatment for deferred fuel costs differs from the book treatment, deferred taxes are generated on the over or under-collection of deferred fuel costs. Specifically, tax follows a cash basis as it relates to deferred fuel costs. When the Company is in an over-collected position, a deferred tax asset is generated because the Company will recognize as taxable income and pay taxes currently on the cash it collected from customers, even though this is not recognized as book revenue. Vice versa, when the Company is in an under-collected position, a deferred tax liability is generated because the Company recognizes less taxable income because it did not collect adequate cash to cover its fuel costs, but for book purposes revenue is recognized such that no margin is recognized on the purchase of gas.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division**  
**Statement of Total Over/Under Collections From the Present**  
**Gas Cost Rate Adjustment Clause - 12 Months Ending September 30, 2021**

	<b><u>Sales</u></b> <b><u>Mcf</u></b> (1)		<b><u>PGC</u></b> <b><u>Revenue</u></b> (2)		<b><u>Cost of</u></b> <b><u>Fuel</u></b> (3)		<b><u>Over / (Under)</u></b> <b><u>Collections</u></b> (4)
October	1,825,753	\$	7,876,738	\$	7,316,260	\$	560,477
November	3,325,060	\$	14,333,957	\$	25,243,548	\$	(10,909,591)
December	7,705,175	\$	33,993,967	\$	41,256,414	\$	(7,262,447)
January	10,537,536	\$	47,673,744	\$	44,983,599	\$	2,690,144
February	10,899,017	\$	49,296,960	\$	50,430,371	\$	(1,133,411)
March	10,676,000	\$	48,327,422	\$	38,340,395	\$	9,987,026
April	5,325,468	\$	24,161,124	\$	15,702,741	\$	8,458,383
May	2,989,566	\$	13,548,590	\$	11,705,960	\$	1,842,630
June	1,779,751	\$	8,143,749	\$	8,907,703	\$	(763,955)
July	1,091,159	\$	5,075,314	\$	8,140,515	\$	(3,065,201)
August	1,020,944	\$	4,745,701	\$	8,258,203	\$	(3,512,502)
September	1,036,699	\$	5,168,211	\$	7,422,618	\$	(2,254,407)
	<u>58,212,126</u>	<u>\$</u>	<u>262,345,475</u>	<u>\$</u>	<u>267,708,329</u>	<u>\$</u>	<u>(5,362,854)</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-33

Request:

Submit a schedule showing maintenance expenses, gross plant and the relation of maintenance expenses thereto as follows:

- (i) Gas Production Maintenance Expenses per MCF production, per \$1,000 MCF production, and per \$1,000 of Gross Production Plant;
- (ii) Transmission Maintenance Expenses per MMCF mile and per \$1,000 of Gross Transmission Plant;
- (iii) Distribution Maintenance Expenses per customer and per \$1,000 of Gross Distribution Plant;
- (iv) Storage Maintenance Expenses per MMCF of Storage Capacity and \$1,000 of Gross Storage Plant. This schedule shall include three years prior to the test year, the test year and one year's projection beyond the test year.

Response:

Please see Attachment III-E-33.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI UTILITIES, INC. - GAS DIVISION  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 -2023

		<u>12 MONTHS ENDED</u>				
		<u>9/30/19</u>	<u>9/30/20</u>	<u>9/30/21</u>	<u>9/30/22</u>	<u>9/30/23</u>
(i)	Maintenance Exp /MCF Produced	-	-	-	-	-
	Maintenance Exp /\$1,000 MCF	-	-	-	-	-
	Maintenance Exp /\$1,000 GPP	-	-	-	-	-
(ii)	Trans. Main. Exp /MMCF	-	-	-	-	-
	Trans. Main. Exp /Transmission Mile	-	-	-	-	-
	Trans. Main. Exp /\$1,000 GTP	-	-	-	-	-
(iii)	Dist. Main. Exp /Customer	48.16	44.49	45.96	48.49	50.33
	Dist. Main. Exp /\$1,000 GDP	9.82	8.61	8.22	8.09	7.81
(iv)	Storage. Main. Exp /MMCF Capacity	-	-	-	-	-
	Storage. Main. Exp /\$1,000 GSP	-	-	-	-	-

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

---

III-E-34

Request:

Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts):

- a. Column 1--Test Year
- b. Column 2 and 3--The two previous years

Provide the annual recorded expense by accounts. (Identify all accounts used but not specifically listed below.)

Response:

Please see Attachment III-E-34.

Prepared by or under the supervision of: Tracy A. Hazenstab



**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12-Months Ended September 30, 2021, 2022 and 2023**  
**(\$ in Thousands)**

Title of Account	Account Number	2021	2022	2023
<b>Manufactured Gas Production</b>				
Operation Supervision and Engineering	710.0	-	-	-
<b>Production Labor and Expenses</b>				
Steam Expenses	711.0	-	-	-
Other Power Expenses	712.0	-	-	-
Coke Oven Expenses	713.0	-	-	-
Producer Gas Expenses	714.0	-	-	-
Water Gas Generating Expenses	715.0	-	-	-
Oil Gas Generating Expenses	716.0	-	-	-
Liquefied Petroleum Gas Expenses	717.0	-	-	-
Other Process Production Expenses	718.0	-	-	-
<b>Total Production Labor and Expenses</b>		-	-	-
<b>Gas Fuels</b>				
Fuel Under Coke Ovens	719.0	-	-	-
Producer Gas Fuel	720.0	-	-	-
Water Gas Generator Fuel	721.0	-	-	-
Fuel for Oil Gas	722.0	-	-	-
Fuel for Liquefied Petroleum Gas Process	723.0	-	-	-
Other Gas Fuels	724.0	-	-	-
<b>Total Gas Fuels Expenses</b>		-	-	-
<b>Gas Raw Materials</b>				
Coal Carbonized in Coke Ovens	725.0	-	-	-
Oil for Water Gas	726.0	-	-	-
Oil for Oil Gas	727.0	-	-	-
Liquefied Petroleum Gas Expenses	728.0	-	-	-
Raw Materials for Other Gas Processes	729.0	-	-	-
Residuals Expenses	730.0	-	-	-
Residuals Produced-Credit	731.0	-	-	-
Purification Expenses	732.0	-	-	-
Gas Mixing Expenses	733.0	-	-	-
Duplicate Charges-Credit	734.0	-	-	-
Miscellaneous Production Expenses	735.0	29	14	14
Rents	736.0	-	-	-
<b>Total Gas Raw Materials Expenses</b>		29	14	14
<b>Maintenance</b>				
Maintenance Supervision and Engineering	740.0	-	-	-
Maintenance of Structures and Improvements	741.0	-	-	-
Maintenance of Production Equipment	742.0	-	-	-
Total Maintenance Expenses		-	-	-
<b>Manufactured Gas Production Expenses</b>		29	14	14

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12-Months Ended September 30, 2021, 2022 and 2023**  
(\$ in Thousands)

**NATURAL GAS PRODUCTION EXPENSES**

**Production and Gathering**

**Operation**

Operating Supervision and Engineering	750.0	-	-	-
Production Maps and Records	751.0	-	-	-
Gas Wells Expenses	752.0	-	-	-
Field Lines Expenses	753.0	-	-	-
Field Compressor Station Expenses	754.0	-	-	-
Field Compressor Station Fuel and Power	755.0	-	-	-
Field Measuring and Regulating Station Expenses	756.0	-	-	-
Purification Expenses	757.0	-	-	-
Gas Well Royalties	758.0	-	-	-
Other Expenses	759.0	-	-	-
Rents	760.0	-	-	-

<b>Total Production &amp; Gathering Operation Expenses</b>	-	-	-	-
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**Maintenance**

Maintenance Supervision and Engineering	761.0	-	-	-
Maintenance of Structures and Improvements	762.0	-	-	-
Maintenance of Producing Gas Wells	763.0	-	-	-
Maintenance of Field Lines	764.0	-	-	-
Maintenance of Field Compressor Station Equipment	765.0	-	-	-
Maintenance of Field Measuring and Reg. Station Equip.	766.0	-	-	-
Maintenance of Purification Equipment	767.0	-	-	-
Maintenance of Drilling and Cleaning Equipment	768.0	-	-	-
Maintenance of Other Equipment	769.0	-	-	-

<b>Total Production &amp; Gathering Maintenance Expenses</b>	-	-	-	-
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**Products Extraction**

**Operation**

Operation Supervision and Engineering	770.0	-	-	-
Operating Labor	771.0	-	-	-
Gas Shrinkage	772.0	-	-	-
Fuel	773.0	-	-	-
Power	774.0	-	-	-
Materials	775.0	-	-	-
Operation Supplies and Expenses	776.0	-	-	-
Gas Processed by Others	777.0	-	-	-
Royalties on Products Extracted	778.0	-	-	-
Marketing Expenses	779.0	-	-	-
Products Purchased for Resale	780.0	-	-	-
Variation in Products Inventory	781.0	-	-	-
Extracted Products Used by the Utility-Credit	782.0	-	-	-
Rents	783.0	-	-	-

<b>Total Products Extraction Operation Expenses</b>	-	-	-	-
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**Maintenance**

Maintenance Supervision and Engineering	784.0	-	-	-
Maintenance of Structures and Improvements	785.0	-	-	-
Maintenance of Extraction and Refining Equipment	786.0	-	-	-
Maintenance of Pipe Lines	787.0	-	-	-
Maintenance of Extracted Products Storage Equipment	788.0	-	-	-
Maintenance of Compressor Equipment	789.0	-	-	-
Maintenance of Gas Measuring & Regulating Equipment	790.0	-	-	-
Maintenance of Other Equipment	791.0	-	-	-

<b>Total Products Extraction Maintenance Expenses</b>	-	-	-	-
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<b>Total Natural Gas Production Expenses</b>	-	-	-	-
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**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12-Months Ended September 30, 2021, 2022 and 2023**  
(\$ in Thousands)

**EXPLORATION AND DEVELOPMENT EXPENSES**

**Operation**

Delay Rentals	795.0	-	-	-
Nonproductive Well Drilling	796.0	-	-	-
Abandoned Leases	797.0	-	-	-
Other Exploration	798.0	-	-	-
<b>Total Exploration and Development Operation Exp.</b>		-	-	-

**OTHER GAS SUPPLY EXPENSES**

**Operation**

Natural Gas Well Head Purchases	800.0	-	-	-
Natural Gas Well Head Purchases, Intercompany Trans.	801.0	-	-	-
Natural Gas Gasoline Plant Outlet Purchases	802.0	-	-	-
Natural Gas Transmission Line Purchases	803.0	-	-	-
Natural Gas City Gate Purchases	804.0	357,994	371,506	371,499
Liquefied Natural Gas Purchases	804.1	163	-	-
Other Gas Purchases	805.0	542	82	82
Purchases Gas Cost Adjustments	805.1	(83,606)	(29,104)	(16,942)
Exchange Gas	806.0	-	-	-
Purchased Gas Expenses	807.0	-	-	-
Gas Withdrawn from Storage-Debit	808.1	26,406	31,278	31,278
Gas Delivered to Storage-Credit	808.2	(44,991)	(27,988)	(27,988)
Withdrawals of Liquefied Nat. Gas Held for Processing	809.1	-	-	-
Deliveries of Natural Gas for Processing	809.2	-	-	-
Gas Used for Compressor Station Fuel-Credit	810.0	-	-	-
Gas Used for Products Extraction-Credit	811.0	-	-	-
Gas Used for Other Utility Operations-Credit	812.0	(928)	-	-
Other Gas Supply Expenses	813.0	6,895	353	357
<b>Gas Supply Operation Expenses</b>		262,475	346,127	358,286

**Natural Gas Storage, Terminating & Processing Exp.**

**Underground Storage Expenses**

Operation Supervision and Engineering	814.0	-	-	-
Maps and Records	815.0	-	-	-
Wells Expenses	816.0	-	-	-
Lines Expenses	817.0	-	-	-
Compressor Station Expenses	818.0	-	-	-
Compressor Station Fuel and Power	819.0	-	-	-
Measuring and Regulating Station Expenses	820.0	-	-	-
Purification Expenses	821.0	-	-	-
Exploration and Development	822.0	-	-	-
Gas Losses	823.0	-	-	-
Other Expenses	824.0	-	-	-
Storage Well Royalties	825.0	-	-	-
Rents	826.0	-	-	-
<b>Total Underground Storage Expenses</b>		-	-	-

**Maintenance**

Maintenance Supervision and Engineering	830.0	-	-	-
Maintenance of Structures and Improvements	831.0	-	-	-
Maintenance of Reservoirs and Wells	832.0	-	-	-
Maintenance of Lines	833.0	-	-	-
Maintenance of Compressor Station Equipment	834.0	-	-	-
Maintenance of Measuring & Regulating Station Equip.	835.0	-	-	-
Maintenance of Purification Equipment	836.0	-	-	-
Maintenance of Other Equipment	837.0	-	-	-
<b>Total Underground Maintenance Expenses</b>		-	-	-

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12-Months Ended September 30, 2021, 2022 and 2023**  
**(\$ in Thousands)**

<b>Other Storage Expenses</b>				
<b>Operation</b>				
Operating Supervision and Engineering	840.0	-	-	-
Operation Labor and Expenses	841.0	-	-	-
Rents	842.0	-	-	-
Fuel	842.1	-	-	-
Power	842.2	-	-	-
Gas Losses	842.3	-	-	-
<b>Storage Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	843.1	-	-	-
Maintenance of Structures and Improvements	843.2	-	-	-
Maintenance of Gas Holders	843.3	-	-	-
Maintenance of Purification Equipment	843.4	-	-	-
Maintenance of Liquefaction Equipment	843.5	-	-	-
Maintenance of Vaporizing Equipment	843.6	-	-	-
Maintenance of Compressor Equipment	843.7	-	-	-
Maintenance of Measuring and Regulatory Equipment	843.8	-	-	-
Maintenance of Other Equipment	843.9	-	-	-
<b>Storage Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>LIQUEFIED NATURAL GAS TERMINATING AND PROCESSING EXPENSES</b>				
<b>Operation</b>				
Operation Supervision and Engineering	844.1	-	-	-
LNG Processing Terminal Labor and Expenses	844.2	-	-	-
Liquefaction Processing Labor and Expenses	844.3	-	-	-
LNG Transportation Labor and Expenses	844.4	-	-	-
Measuring and Regulating Labor and Expenses	844.5	-	-	-
Compressor Station Labor and Expenses	844.6	-	-	-
Communication System Expenses	844.7	-	-	-
System Control and Load Dispatching	844.8	-	-	-
Fuel	845.1	-	-	-
Power	845.2	-	-	-
Rents	845.3	-	-	-
Demurrage Charges	845.4	-	-	-
Warfare Receipts-Credit	845.5	-	-	-
Processing Liquefied or Vaporized Gas by Others	845.6	-	-	-
Gas Losses	846.1	-	-	-
Other Expenses	846.2	-	-	-
<b>Total Liq. N.G. Term &amp; Proc. Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	847.1	-	-	-
Maintenance of Structures and Improvements	847.2	-	-	-
Maintenance of LNG Processing Terminal Equipment	847.3	-	-	-
Maintenance of LNG Transportation Equipment	847.4	-	-	-
Maintenance of Measuring and Regulating Equipment	847.5	-	-	-
Maintenance of Compressor Station Equipment	847.6	-	-	-
Maintenance of Communication Equipment	847.7	-	-	-
Maintenance of Other Equipment	847.8	-	-	-
<b>Total Liq. N.G. Term. Proc. Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12-Months Ended September 30, 2021, 2022 and 2023**  
**(\$ in Thousands)**

**TRANSMISSION EXPENSES**

**Operation**

Operating Supervision and Engineering	850.0	-	-	-
System Control and Load Dispatching	851.0	-	-	-
Communication System Expenses	852.0	-	-	-
Compressor Station Labor and Expenses	853.0	-	-	-
Gas for Compressor Station Fuel	854.0	-	-	-
Other Fuel and Power for Compressor Stations	855.0	-	-	-
Mains Expenses	856.0	-	-	-
Measuring and Regulating Station Expenses	857.0	-	-	-
Transmission and Compression of gas by Others	858.0	-	-	-
Other Expenses	859.0	-	-	-
Rents	860.0	-	-	-
<b>Total Transmission Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>

**Maintenance**

Maintenance Supervision and Engineering	861.0	-	-	-
Maintenance of Structures and Improvements	862.0	-	-	-
Maintenance of Mains	863.0	-	-	-
Maintenance of Compressor Station Equipment	864.0	-	-	-
Maintenance of Measuring and Regulating Station Equip.	865.0	-	-	-
Maintenance of Communication Equipment	866.0	-	-	-
Maintenance of Other Equipment	867.0	-	-	-
<b>Total Transmission Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>

**DISTRIBUTION EXPENSES**

**Operations Expense**

Operation Supervision and Engineering	870.0	7,120	3,317	3,415
Distribution Load Dispatching	871.0	42	2	2
Compressor Station Labor and Expenses	872.0	-	-	-
Compressor Station Fuel and Power (Major Only)	873.0	-	-	-
Mains and Services Expenses	874.0	21,479	25,175	27,345
Measuring and Regulating Station Expenses-General	875.0	1,384	4,065	4,188
Measuring and Regulating Station Expenses-Industrial	876.0	38	13	12
Measuring and Regulating Station Expenses-City Gate	877.0	275	111	114
Meter and House Regulator Expenses	878.0	3,331	3,078	3,204
Customer Installations Expenses	879.0	2,035	2,663	2,721
Other Expenses	880.0	1,482	1,245	1,281
Rents	881.0	4,074	3,032	3,117
<b>Total Distribution Operation Expenses</b>		<u>41,260</u>	<u>42,701</u>	<u>45,399</u>

**Maintenance Expense**

Maintenance Supervision and Engineering	885.0	2,292	495	509
Maintenance of Structures and Improvements	886.0	-	-	-
Maintenance of Mains	887.0	13,726	26,984	28,149
Maintenance of Compressor Station Equipment	888.0	-	-	262
Maintenance of Measuring & Reg. Station Equip.-Genl.	889.0	1,789	2,771	3,144
Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890.0	3,242	4,556	4,686
Maintenance of Measuring & Reg. Station Equip.-City G	891.0	113	372	121
Maintenance of Services	892.0	936	1,499	1,547
Maintenance of Meters & House Regulators	893.0	(2)	-	-
Maintenance of Other Equipment	894.0	340	548	552
Construction & Maintenance	895.0	-	-	-
<b>Total Distribution Maintenance Expenses</b>		<u>22,436</u>	<u>37,225</u>	<u>38,970</u>

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12-Months Ended September 30, 2021, 2022 and 2023**  
**(\$ in Thousands)**

**CUSTOMER ACCOUNTS EXPENSES**

**Operations**

Supervision	901.0	477	799	824
Meter Reading Expenses	902.0	2,739	2,112	2,177
Customer Records & Collection Expenses	903.0	36,332	34,943	35,342
Uncollectable Accounts	904.0	11,927	11,845	14,419
Miscellaneous Customer Accounts Expenses	905.0	1,790	2,143	2,198
<b>Customer Account Operations Expenses</b>		<u>53,265</u>	<u>51,842</u>	<u>54,960</u>

**CUSTOMER SERVICE & INFORM. EXPENSES**

**Operations**

Supervision	907.0	158	167	172
Customer Assistance Expenses	908.0	938	870	896
Informational & Instructional Advertising Expenses	909.0	-	-	-
Miscellaneous Customer Service & Informational Exp.	910.0	9,170	9,183	9,300
<b>Total Cust. Service &amp; Inform. Operations Exp</b>		<u>10,266</u>	<u>10,220</u>	<u>10,368</u>

**SALES EXPENSES**

**Operation**

Supervision	911.0	107	414	426
Demonstrating and Selling Expenses	912.0	617	(612)	(596)
Advertising Expenses	913.0	1,210	1,587	1,637
(Reserved)	914.0	-	-	-
(Reserved)	915.0	-	-	-
Miscellaneous Sales Expenses	916.0	127	249	258
<b>Total Operation Sales Expenses</b>		<u>2,061</u>	<u>1,638</u>	<u>1,725</u>

**ADMINISTRATIVE AND GENERAL EXPENSES**

**Operation**

Administrative and General Salaries	920.0	17,549	33,895	35,612
Office Supplies and Expenses	921.0	17,569	20,600	21,222
Administrative Expenses Transferred-Credit	922.0	-	-	-
Outside Service Employed	923.0	36,517	24,151	25,611
Property Insurance	924.0	360	-	-
Injuries and Damages	925.0	7,126	10,317	11,027
Employee Pensions and Benefits	926.0	25,058	13,188	13,723
Franchise Requirements	927.0	-	-	-
Regulatory Commission Expenses	928.0	772	394	1,138
Duplicate Charges-Credit	929.0	-	-	-
General Advertising Expenses	930.1	-	280	288
Miscellaneous General Expenses	930.2	2,239	2,642	2,728
Rents	931.0	21	37	38

**Total A & G Operation Expenses**

	<u>107,211</u>	<u>105,504</u>	<u>111,387</u>
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**Maintenance**

A&G Maintenance of General Plant	932.0	600	4,255	4,394
A&G Maintenance of General Plant	935.0	-	255	263

**Total A&G Maintenance Expenses**

	<u>600</u>	<u>4,510</u>	<u>4,657</u>
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**Total Gas Operation and Maintenance Expenses**

	<u>\$ 499,603</u>	<u>\$ 599,781</u>	<u>\$ 625,766</u>
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Total Gas Operation Expenses	\$ 476,567	\$ 558,046	\$ 582,139
Total Gas Maintenance Expenses	23,036	41,735	43,627
<b>Total Gas Operation and Maintenance Expenses</b>	<u>\$ 499,603</u>	<u>\$ 599,781</u>	<u>\$ 625,766</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-35

Request:

Submit a schedule showing the Gross Receipts Tax Base used in computing Pennsylvania Gross Receipts Tax Adjustment.

Response:

Not applicable. UGI Gas is not subject to the Pennsylvania Gross Receipts Tax.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-36

Request:

State the amount of gas, in mcf, obtained through various suppliers in past years.

Response:

Please see Book I, Attachment 1-A-1 of the 2021 1307(f) Purchased Gas Cost filing for UGI Gas at Docket No. R-2021-3025652 which can be found at URL <https://www.puc.pa.gov/pdocs/1702100.pdf>.

Prepared by or under the supervision of: Christopher R. Brown



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-37

Request:

In determining pro forma expense, exclude cost of gas adjustments applicable to fuel adjustment clause and exclude fuel adjustment clause revenues, so that the operating statement is on the basis of base rates only.

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-6.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-38

Request:

Identify company's policy with respect to replacing customers lost through attrition.

Response:

The Company actively seeks opportunities to add new customers including new construction and conversion customers and adds these customers to the extent they meet the requirements of the Company's Tariff.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - III-E - Balance Sheet and Operating  
Statement - Gas Utilities  
Delivered on January 28, 2022

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III-E-39

Request:

Identify procedures developed to govern relationship between the respondent and potential customers--i.e., basically expansion, alternate energy requirements, availability of supply, availability of distribution facilities, ownership of metering and related facilities.

Response:

Please refer to UGI Gas Exhibit F, Rule 5, Extension Regulation, of the current tariff for UGI Utilities, Inc. - Gas Division.

Please refer to UGI Gas Exhibit F, Rule 5, Extension Regulation, of the proposed tariff supplement for UGI Utilities, Inc. - Gas Division.

Prepared by or under the supervision of: Christopher R. Brown

**SECTION 53.53 – RATE STRUCTURE**

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-1

Request:

Provide a Cost of Service Study showing the rate of return under the present and proposed tariffs for all customer classifications. The study should include a summary of the allocated measures of value, operating revenues, operating expenses and net return for each of the customer classifications at original cost and at the 5-year trended original cost.

a. (Reserved)

Response:

Please refer to UGI Gas Exhibit D.

Prepared by or under the supervision of: Constance E. Heppenstall

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-2

Request:

Provide a statement of testimony describing the complete methodology of the cost of service study.

Response:

Please refer to the Direct Testimony of Constance E. Heppenstall, UGI Gas Statement No. 10.

Prepared by or under the supervision of: Constance E. Heppenstall

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-3

Request:

Provide a complete description and back-up calculations for all allocation factors.

Response:

Please see UGI Gas Exhibit D.

Prepared by or under the supervision of: Constance E. Heppenstall

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-4

Request:

Provide an exhibit for each customer classification showing the following data for the test year and the four previous years:

- a. The maximum coincident peak day demand.
- b. The maximum coincident 3-day peak day demand.
- c. The average monthly consumption in MCF during the Primary Heating Season (November-March).
- d. The average monthly consumption in MCF during the Non-heating season (April-October).
- e. The average daily consumption in MCF for each 12-month period.

Response:

Please see Attachments IV-B-4 (a)-(e).

Prepared by or under the supervision of: Sherry A. Epler



UGI Utilities, Inc. - Gas Division  
Coincident Peak Day Demand

Winter Season	Peak Day Date	Volume (Mdth)
2020-2021	1/28/2021	1,531.0
2019-2020	2/14/2020	1,564.5
2018-2019	3/6/2019	1,626.5
2017-2018	1/5/2018	1,420.9
2016-2017	12/15/2016	1,407.9

**UGI UTILITIES, INC. - GAS DIVISION**  
**COINCIDENT 3 DAY PEAK PERIODS**  
**SENDOUT BY RATE CLASS**

	2016-2017			2017-2018			2018-2019			2019-2020			2020-2021		
	JAN 6 (MDTH)	JAN 7 (MDTH)	JAN 8 (MDTH)	JAN 4 (MDTH)	JAN 5 (MDTH)	JAN 6 (MDTH)	MAR 5 (MDTH)	MAR 6 (MDTH)	MAR 7 (MDTH)	FEB 14 (MDTH)	FEB 15 (MDTH)	FEB 16 (MDTH)	JAN 27 (MDTH)	JAN 28 (MDTH)	JAN 29 (MDTH)
RG	3.4	4.0	4.4	3.3	3.8	3.9	2.8	3.1	2.6	2.8	2.4	1.9	2.2	2.8	2.9
RH	337.6	391.6	428.5	414.3	477.5	487.4	358.4	398.5	343.8	400.2	335.0	262.6	290.9	375.1	387.4
CG	4.9	5.7	6.2	5.1	5.9	6.0	5.8	6.4	5.5	7.8	6.6	5.1	3.1	4.0	4.1
CH	136.1	157.8	172.7	158.4	183.1	186.8	136.5	151.7	130.7	166.1	139.0	108.9	105.5	136.1	140.5
IG	1.7	1.8	2.0	1.7	2.2	2.2	1.4	1.6	1.3	2.2	1.8	1.4	0.8	1.1	1.1
IH	6.9	8.1	8.9	6.2	7.2	7.3	5.9	6.6	5.6	8.2	6.8	5.4	4.9	6.4	6.6
PGC FIRM	490.7	569.1	622.6	589.1	679.7	693.6	510.8	567.9	489.6	587.3	491.6	385.3	407.5	525.4	542.6
RT (CHOICE)	25.3	25.2	25.2	43.0	43.0	42.9	36.4	36.0	35.6	33.2	32.9	32.9	43.4	43.8	44.0
NT (CHOICE)	62.7	62.6	62.6	79.9	79.8	79.8	72.7	71.9	71.3	70.7	69.9	69.9	78.7	79.3	79.7
DS	77.2	87.0	97.5	89.6	97.5	100.2	85.2	93.3	80.4	57.4	49.7	47.2	56.8	65.8	64.3
LFD	87.3	81.7	90.5	108.1	106.3	97.3	102.6	105.2	99.8	77.2	62.0	62.5	100.0	105.4	97.5
XD-F/CDS-F	306.6	277.9	240.3	281.9	296.2	285.7	496.7	515.7	505.5	514.8	493.2	485.1	532.1	554.7	519.3
FIRM TRANSPORTATION	559.1	534.4	516.1	602.5	622.9	605.9	793.6	822.2	792.6	753.3	707.7	697.6	810.9	849.0	804.8
INTERRUPTIBLE	219.7	134.8	145.3	133.5	118.4	113.5	232.7	236.5	239.0	223.9	215.6	210.9	154.8	156.5	109.8
TOTAL	1,269.4	1,238.4	1,284.0	1,325.1	1,420.9	1,412.9	1,537.0	1,626.5	1,521.1	1,564.5	1,414.8	1,293.7	1,373.2	1,531.0	1,457.2

UGI Utilities, Inc. - Gas Division  
Average Monthly Consumption in MCF during Primary Heating Season (November-March)

	Rate R Residential- Non Htg	Rate R Residential- Htg	Rate RT RT Total	Rate N Commercial- Non Htg	Rate CIAC Commercial- AC	Rate N Commercial- Htg	Rate N Industrial- Non Htg	Rate N Industrial- Htg	Rate NT NT Total	Rate DS DS Total	Rate LFD,XD,IS Large Transp- Other
2017	56,564	6,127,398	610,795	79,748	(20)	2,142,054	23,042	104,525	1,492,102	1,363,001	14,160,748
2018	51,373	6,847,249	943,620	87,121	0	2,442,351	33,691	111,879	1,761,123	1,508,339	14,341,332
2019	52,269	6,800,430	1,041,657	94,622	0	2,547,463	21,162	110,578	1,873,434	1,485,246	16,330,315
2020	45,269	6,029,521	908,977	94,500	0	2,296,570	19,074	102,565	1,706,718	1,258,135	19,658,417
2021	48,043	6,386,277	974,183	76,612	0	2,262,056	16,769	107,176	1,764,937	1,223,098	19,188,476

UGI Utilities, Inc. - Gas Division  
Average Monthly Consumption in MCF during the Non-Heating Season (April-October)

	Rate R Residential- Non Htg	Rate R Residential- Htg	Rate RT Total RT	Rate N Commercial- Non Htg	Rate CIAC Commercial- AC	Rate N Commercial- Htg	Rate N Industrial- Non Htg	Rate N Industrial- Htg	Rate NT Total NT	Rate DS Total DS	Rate LFD,XD,IS Large Transp-Other
2017	30,984	1,342,939	116,752	57,939	0	463,887	3,936	12,770	431,791	459,961	12,991,440
2018	26,451	1,456,287	216,923	51,095	0	570,574	7,057	21,233	550,230	591,322	14,945,472
2019	23,309	1,276,400	176,025	48,466	0	452,338	6,274	14,383	505,893	513,027	17,626,787
2020	25,529	1,531,436	249,985	38,555	0	386,867	2,644	19,825	521,045	392,029	18,400,940
2021	20,964	1,245,344	183,396	41,468	0	465,191	6,678	23,824	521,574	380,139	17,574,725

UGI Utilities, Inc. - Gas Division  
Average Daily Consumption in MCF for each 12-Month period

	Rate R Residential- Non Htg	Rate R Residential- Htg	Rate RT Total RT	Rate N Commercial- Non Htg	Rate CIAC Commercial- AC	Rate N Commercial- Htg	Rate N Industrial- Non Htg	Rate N Industrial- Htg	Rate NT Total NT	Rate DS Total DS	Rate LFD,XD,IS Large Transp-Other
2017	1,352	110,893	10,820	2,147	2	38,354	391	1,691	28,854	27,516	445,168
2018	1,238	119,596	16,430	2,181	0	43,676	600	1,897	33,950	29,985	473,355
2019	1,181	119,543	17,932	2,255	0	44,115	408	1,823	35,731	32,139	556,241
2020	1,100	111,499	17,174	2,051	0	39,053	321	1,770	33,354	24,541	619,133
2021	1,074	112,989	17,117	1,836	0	40,020	352	1,881	34,281	24,607	611,734

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-5

Request:

Submit a Bill Frequency Analysis for each rate. The analysis should include the rate schedule and block interval, the number of bills at each interval, the cumulative number of bills at each interval, the Mcf or therms at each interval, the cumulative Mcf or therms at each interval, the accumulation of Mcf or therms passing through each interval, and the revenue at each interval for both the present rate and the proposed rates. The Analysis should show only those revenues collected from the basic tariff.

Response:

Please see Attachment IV-B-5 provided on USB flash drive.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-6

Request:

Supply copies of all present and proposed Gas Tariffs.

Response:

Please see UGI Gas Exhibit F - Current Tariff and UGI Gas Exhibit F - Proposed Tariff Supplement.

Prepared by or under the supervision of: Tracy A. Hazenstab

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-7

Request:

Supply a graph of present and proposed base rates on hyperbolic cross section paper.

Response:

Please see Attachment IV-B-7.

Prepared by or under the supervision of: Sherry A. Epler



**UGI Utilities, Inc. - Gas Division**  
**Residential Service - Rate Schedule R**  
**Calculation of the Effect of Proposed Rates**

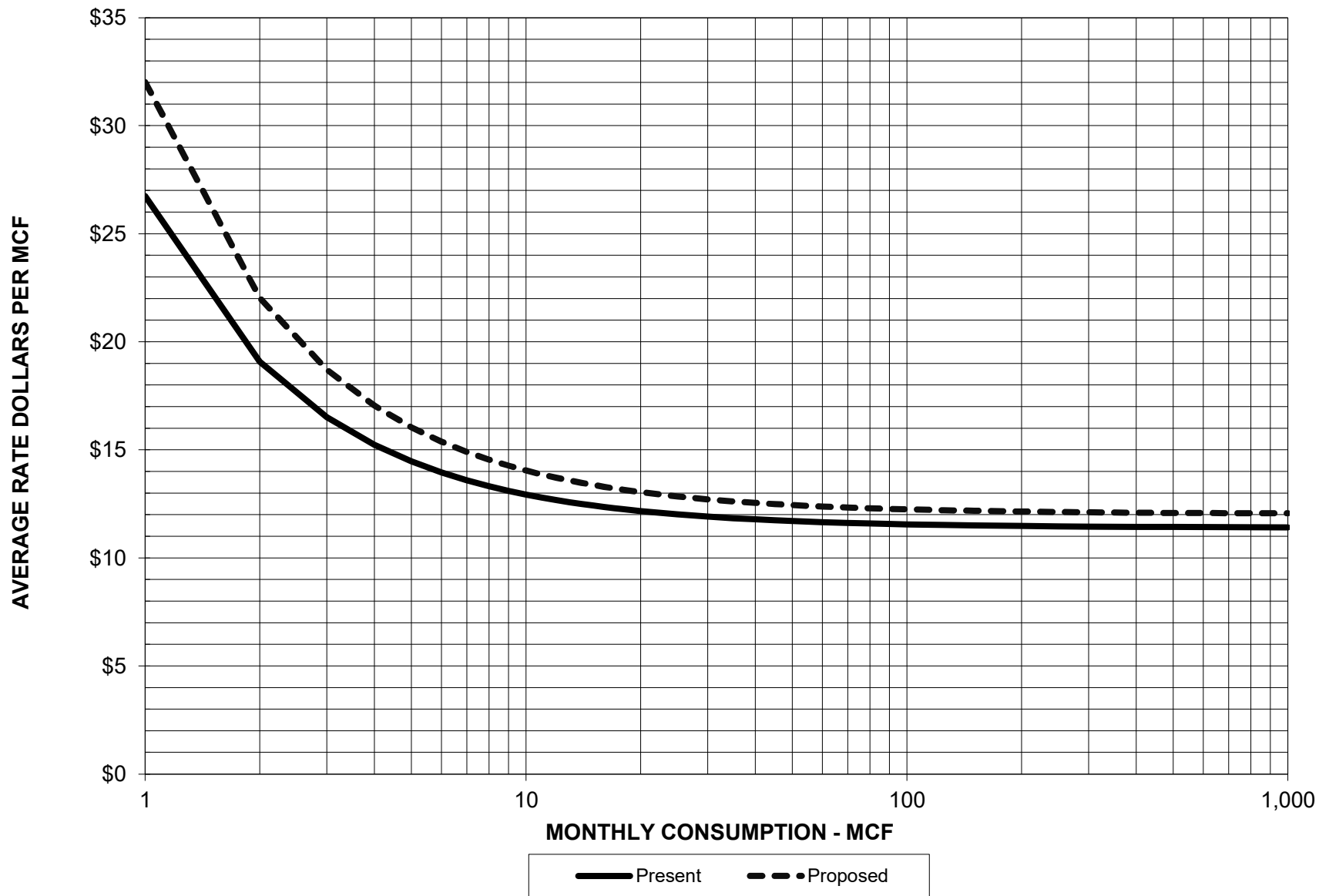
<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 15.35	\$ 19.97	\$ 4.62	30.1%
1	\$ 26.75	\$ 32.02	\$ 5.27	19.7%
2	\$ 38.15	\$ 44.07	\$ 5.92	15.5%
3	\$ 49.55	\$ 56.12	\$ 6.57	13.3%
4	\$ 60.94	\$ 68.17	\$ 7.23	11.9%
5	\$ 72.34	\$ 80.22	\$ 7.88	10.9%
6	\$ 83.74	\$ 92.26	\$ 8.53	10.2%
7	\$ 95.13	\$ 104.31	\$ 9.18	9.7%
8	\$ 106.53	\$ 116.36	\$ 9.83	9.2%
9	\$ 117.93	\$ 128.41	\$ 10.48	8.9%
10	\$ 129.32	\$ 140.46	\$ 11.14	8.6%
11	\$ 140.72	\$ 152.51	\$ 11.79	8.4%
12	\$ 152.12	\$ 164.56	\$ 12.44	8.2%
13	\$ 163.52	\$ 176.61	\$ 13.09	8.0%
14	\$ 174.91	\$ 188.65	\$ 13.74	7.9%
15	\$ 186.31	\$ 200.70	\$ 14.39	7.7%
16	\$ 197.71	\$ 212.75	\$ 15.05	7.6%
17	\$ 209.10	\$ 224.80	\$ 15.70	7.5%
18	\$ 220.50	\$ 236.85	\$ 16.35	7.4%
19	\$ 231.90	\$ 248.90	\$ 17.00	7.3%
20	\$ 243.29	\$ 260.95	\$ 17.65	7.3%
25	\$ 300.28	\$ 321.19	\$ 20.91	7.0%
30	\$ 357.26	\$ 381.43	\$ 24.17	6.8%
35	\$ 414.25	\$ 441.68	\$ 27.43	6.6%
40	\$ 471.24	\$ 501.92	\$ 30.68	6.5%
45	\$ 528.22	\$ 562.16	\$ 33.94	6.4%
50	\$ 585.21	\$ 622.41	\$ 37.20	6.4%
60	\$ 699.18	\$ 742.89	\$ 43.72	6.3%
70	\$ 813.15	\$ 863.38	\$ 50.23	6.2%
80	\$ 927.12	\$ 983.87	\$ 56.75	6.1%
90	\$ 1,041.09	\$ 1,104.35	\$ 63.27	6.1%
100	\$ 1,155.06	\$ 1,224.84	\$ 69.78	6.0%
125	\$ 1,439.98	\$ 1,526.06	\$ 86.08	6.0%
150	\$ 1,724.91	\$ 1,827.28	\$ 102.37	5.9%
200	\$ 2,294.76	\$ 2,429.71	\$ 134.95	5.9%
250	\$ 2,864.61	\$ 3,032.14	\$ 167.53	5.8%
300	\$ 3,434.46	\$ 3,634.58	\$ 200.11	5.8%
400	\$ 4,574.17	\$ 4,839.45	\$ 265.28	5.8%
500	\$ 5,713.87	\$ 6,044.31	\$ 330.44	5.8%
1,000	\$ 11,412.38	\$ 12,068.65	\$ 656.27	5.8%

UGI Utilities, Inc.- Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule R

Attachment IV-B-7

S. A. Epler

Page 2 of 22

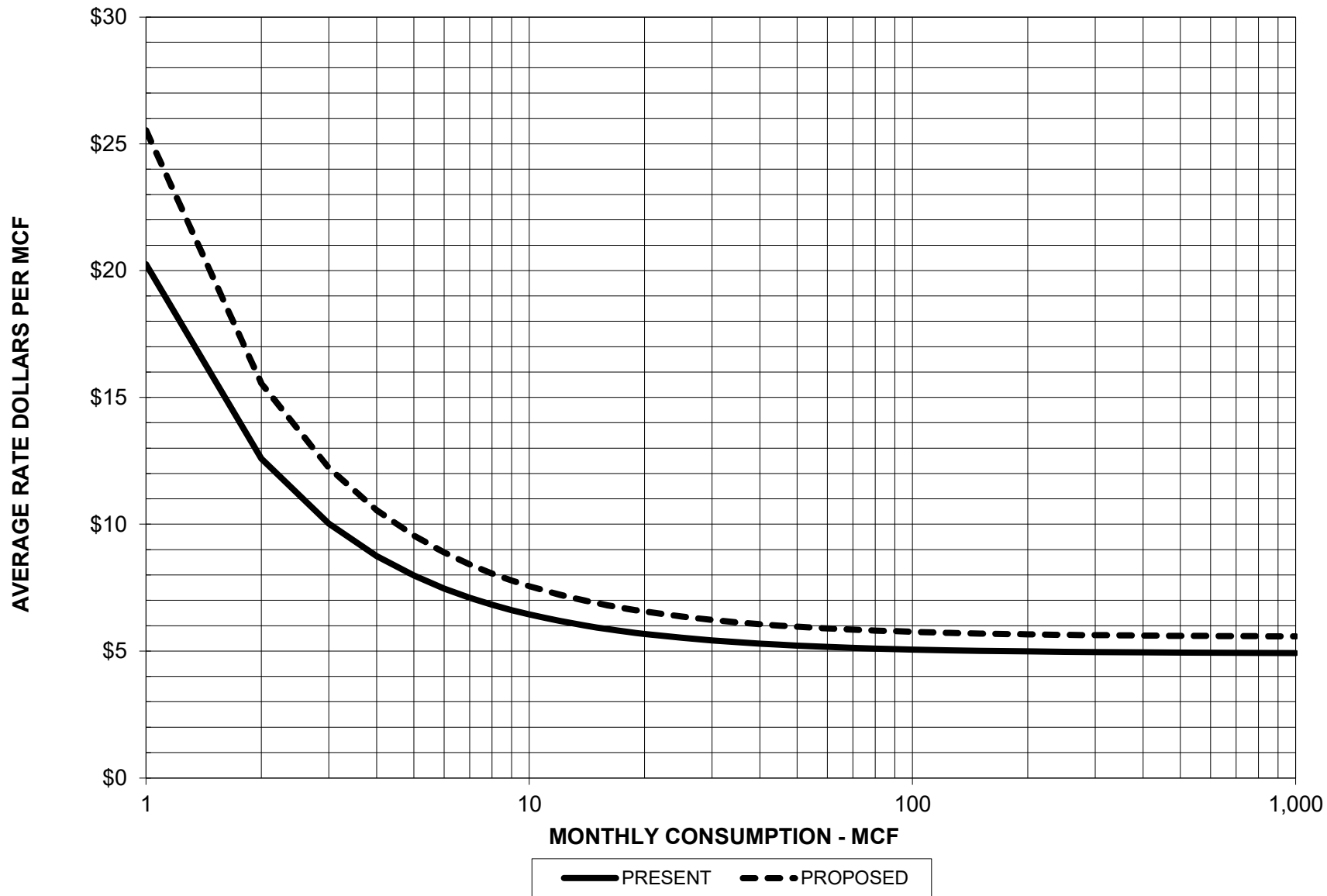


**UGI Utilities, Inc. - Gas Division  
Residential Transportation Service - Rate Schedule RT  
Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 15.35	\$ 19.97	\$ 4.62	30.1%
1	\$ 20.26	\$ 25.54	\$ 5.27	26.0%
2	\$ 25.17	\$ 31.10	\$ 5.93	23.6%
3	\$ 30.08	\$ 36.66	\$ 6.59	21.9%
4	\$ 34.99	\$ 42.23	\$ 7.24	20.7%
5	\$ 39.89	\$ 47.79	\$ 7.90	19.8%
6	\$ 44.80	\$ 53.35	\$ 8.55	19.1%
7	\$ 49.71	\$ 58.92	\$ 9.21	18.5%
8	\$ 54.62	\$ 64.48	\$ 9.86	18.1%
9	\$ 59.53	\$ 70.04	\$ 10.52	17.7%
10	\$ 64.43	\$ 75.61	\$ 11.17	17.3%
11	\$ 69.34	\$ 81.17	\$ 11.83	17.1%
12	\$ 74.25	\$ 86.73	\$ 12.48	16.8%
13	\$ 79.16	\$ 92.30	\$ 13.14	16.6%
14	\$ 84.07	\$ 97.86	\$ 13.80	16.4%
15	\$ 88.97	\$ 103.43	\$ 14.45	16.2%
16	\$ 93.88	\$ 108.99	\$ 15.11	16.1%
17	\$ 98.79	\$ 114.55	\$ 15.76	16.0%
18	\$ 103.70	\$ 120.12	\$ 16.42	15.8%
19	\$ 108.61	\$ 125.68	\$ 17.07	15.7%
20	\$ 113.51	\$ 131.24	\$ 17.73	15.6%
25	\$ 138.05	\$ 159.06	\$ 21.01	15.2%
30	\$ 162.59	\$ 186.88	\$ 24.28	14.9%
35	\$ 187.13	\$ 214.70	\$ 27.56	14.7%
40	\$ 211.67	\$ 242.51	\$ 30.84	14.6%
45	\$ 236.21	\$ 270.33	\$ 34.12	14.4%
50	\$ 260.75	\$ 298.15	\$ 37.39	14.3%
60	\$ 309.83	\$ 353.78	\$ 43.95	14.2%
70	\$ 358.92	\$ 409.42	\$ 50.50	14.1%
80	\$ 408.00	\$ 465.05	\$ 57.06	14.0%
90	\$ 457.08	\$ 520.69	\$ 63.61	13.9%
100	\$ 506.16	\$ 576.32	\$ 70.17	13.9%
125	\$ 628.86	\$ 715.41	\$ 86.55	13.8%
150	\$ 751.56	\$ 854.50	\$ 102.94	13.7%
200	\$ 996.96	\$ 1,132.67	\$ 135.72	13.6%
250	\$ 1,242.36	\$ 1,410.85	\$ 168.49	13.6%
300	\$ 1,487.76	\$ 1,689.02	\$ 201.26	13.5%
400	\$ 1,978.56	\$ 2,245.37	\$ 266.81	13.5%
500	\$ 2,469.36	\$ 2,801.72	\$ 332.36	13.5%
1,000	\$ 4,923.37	\$ 5,583.47	\$ 660.10	13.4%

**UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule RT**

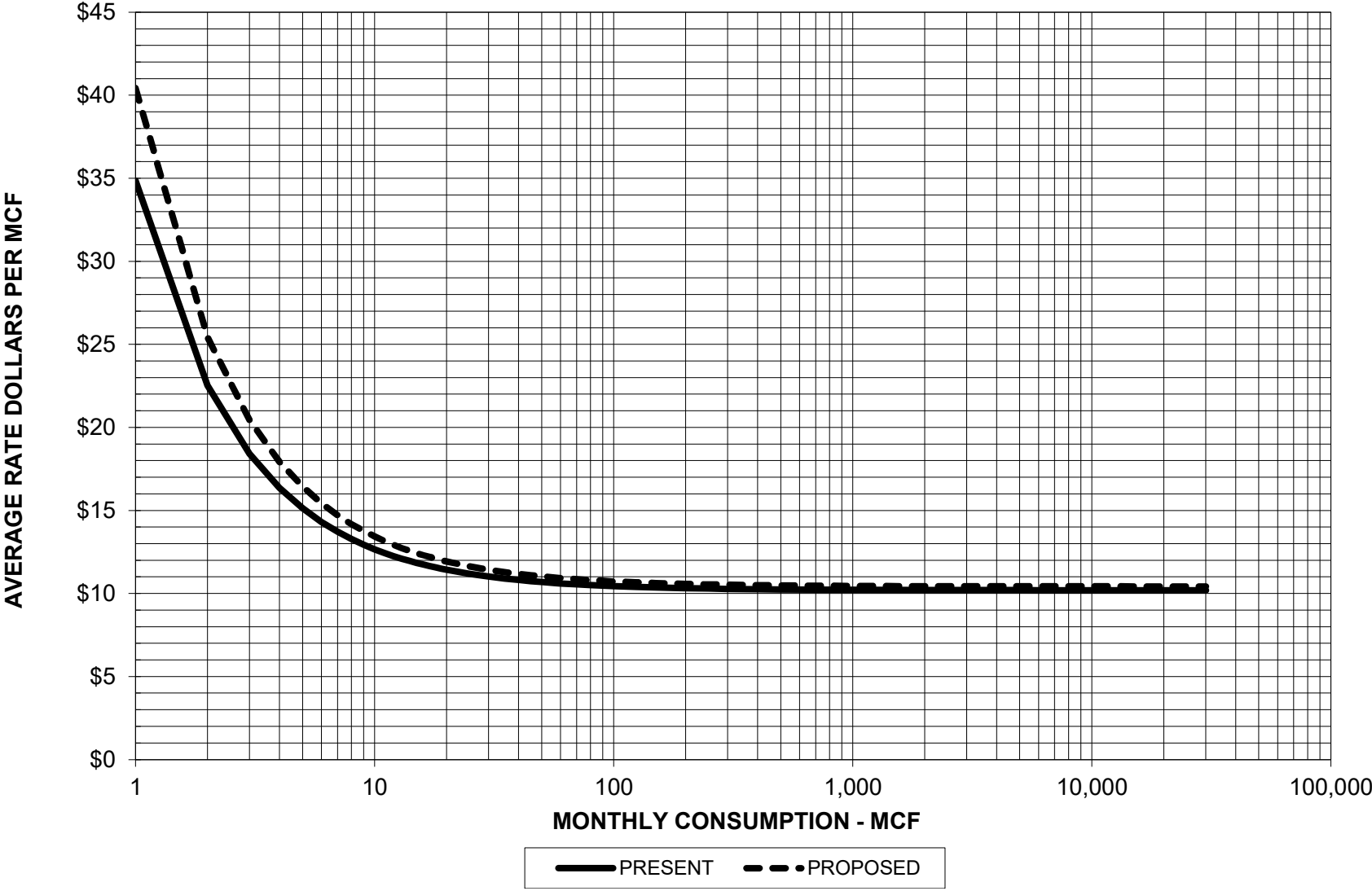
Attachment IV-B-7  
S. A. Epler  
Page 4 of 22



**UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts**  
**Non-Residential Service - Rate Schedule N**  
**Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 24.68	\$ 30.00	\$ 5.33	21.6%
1	\$ 34.87	\$ 40.43	\$ 5.56	16.0%
2	\$ 45.06	\$ 50.86	\$ 5.80	12.9%
3	\$ 55.26	\$ 61.30	\$ 6.04	10.9%
4	\$ 65.45	\$ 71.73	\$ 6.28	9.6%
5	\$ 75.65	\$ 82.16	\$ 6.51	8.6%
6	\$ 85.84	\$ 92.59	\$ 6.75	7.9%
7	\$ 96.04	\$ 103.02	\$ 6.99	7.3%
8	\$ 106.23	\$ 113.46	\$ 7.23	6.8%
9	\$ 116.42	\$ 123.89	\$ 7.46	6.4%
10	\$ 126.62	\$ 134.32	\$ 7.70	6.1%
11	\$ 136.81	\$ 144.75	\$ 7.94	5.8%
12	\$ 147.01	\$ 155.18	\$ 8.18	5.6%
13	\$ 157.20	\$ 165.62	\$ 8.41	5.4%
14	\$ 167.40	\$ 176.05	\$ 8.65	5.2%
15	\$ 177.59	\$ 186.48	\$ 8.89	5.0%
16	\$ 187.78	\$ 196.91	\$ 9.13	4.9%
17	\$ 197.98	\$ 207.34	\$ 9.37	4.7%
18	\$ 208.17	\$ 217.78	\$ 9.60	4.6%
19	\$ 218.37	\$ 228.21	\$ 9.84	4.5%
20	\$ 228.56	\$ 238.64	\$ 10.08	4.4%
25	\$ 279.53	\$ 290.80	\$ 11.27	4.0%
30	\$ 330.50	\$ 342.96	\$ 12.46	3.8%
35	\$ 381.48	\$ 395.12	\$ 13.64	3.6%
40	\$ 432.45	\$ 447.28	\$ 14.83	3.4%
45	\$ 483.42	\$ 499.44	\$ 16.02	3.3%
50	\$ 534.39	\$ 551.60	\$ 17.21	3.2%
60	\$ 636.33	\$ 655.92	\$ 19.59	3.1%
70	\$ 738.28	\$ 760.24	\$ 21.96	3.0%
80	\$ 840.22	\$ 864.56	\$ 24.34	2.9%
90	\$ 942.16	\$ 968.88	\$ 26.72	2.8%
100	\$ 1,044.11	\$ 1,073.20	\$ 29.09	2.8%
125	\$ 1,298.97	\$ 1,334.00	\$ 35.04	2.7%
150	\$ 1,553.82	\$ 1,594.80	\$ 40.98	2.6%
200	\$ 2,063.54	\$ 2,116.40	\$ 52.86	2.6%
250	\$ 2,573.26	\$ 2,638.00	\$ 64.75	2.5%
300	\$ 3,082.97	\$ 3,159.61	\$ 76.63	2.5%
400	\$ 4,102.41	\$ 4,202.81	\$ 100.40	2.4%
500	\$ 5,121.84	\$ 5,246.01	\$ 124.17	2.4%
1,000	\$ 10,219.00	\$ 10,462.02	\$ 243.01	2.4%
2,000	\$ 20,413.33	\$ 20,894.03	\$ 480.70	2.4%
3,000	\$ 30,607.66	\$ 31,326.05	\$ 718.39	2.3%
4,000	\$ 40,801.99	\$ 41,758.07	\$ 956.08	2.3%
5,000	\$ 50,996.32	\$ 52,190.09	\$ 1,193.77	2.3%
6,000	\$ 61,190.65	\$ 62,622.10	\$ 1,431.46	2.3%
7,000	\$ 71,384.97	\$ 73,054.12	\$ 1,669.15	2.3%
8,000	\$ 81,579.30	\$ 83,486.14	\$ 1,906.84	2.3%
9,000	\$ 91,773.63	\$ 93,918.16	\$ 2,144.53	2.3%
10,000	\$ 101,967.96	\$ 104,350.17	\$ 2,382.21	2.3%
20,000	\$ 203,911.24	\$ 208,670.35	\$ 4,759.10	2.3%
30,000	\$ 305,854.53	\$ 312,990.52	\$ 7,135.99	2.3%

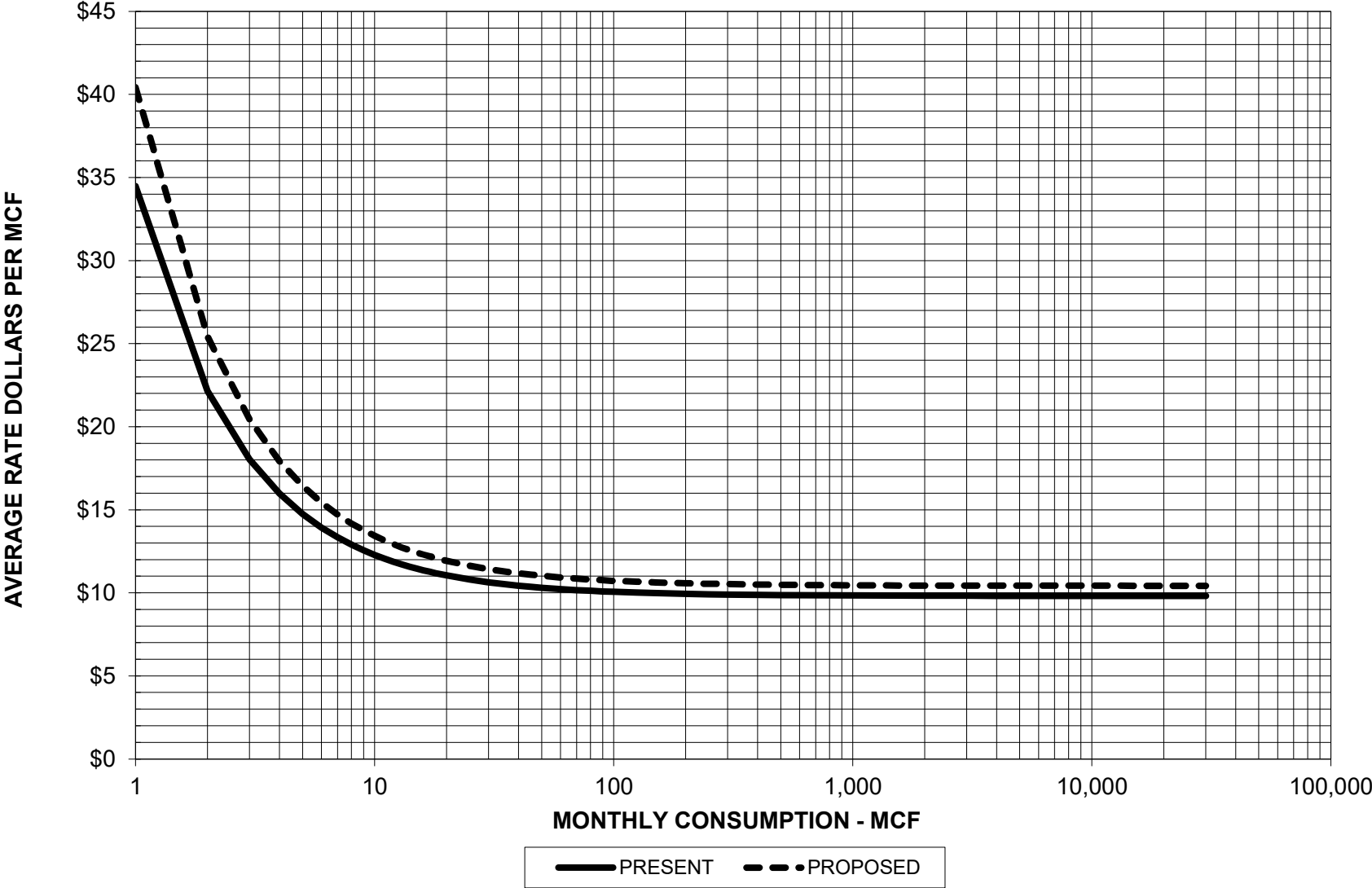
**UGI Utilities, Inc.- Gas Division, Former South & Central Rate Districts  
Comparison of Present and Proposed Rates  
Rate Schedule N**



**UGI Utilities, Inc. - Gas Division, Former North Rate District  
Non-Residential Service - Rate Schedule N  
Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 24.68	\$ 30.00	\$ 5.33	21.6%
1	\$ 34.49	\$ 40.43	\$ 5.94	17.2%
2	\$ 44.30	\$ 50.86	\$ 6.56	14.8%
3	\$ 54.12	\$ 61.30	\$ 7.18	13.3%
4	\$ 63.93	\$ 71.73	\$ 7.80	12.2%
5	\$ 73.75	\$ 82.16	\$ 8.41	11.4%
6	\$ 83.56	\$ 92.59	\$ 9.03	10.8%
7	\$ 93.38	\$ 103.02	\$ 9.65	10.3%
8	\$ 103.19	\$ 113.46	\$ 10.27	9.9%
9	\$ 113.00	\$ 123.89	\$ 10.88	9.6%
10	\$ 122.82	\$ 134.32	\$ 11.50	9.4%
11	\$ 132.63	\$ 144.75	\$ 12.12	9.1%
12	\$ 142.45	\$ 155.18	\$ 12.74	8.9%
13	\$ 152.26	\$ 165.62	\$ 13.35	8.8%
14	\$ 162.08	\$ 176.05	\$ 13.97	8.6%
15	\$ 171.89	\$ 186.48	\$ 14.59	8.5%
16	\$ 181.71	\$ 196.91	\$ 15.21	8.4%
17	\$ 191.52	\$ 207.34	\$ 15.82	8.3%
18	\$ 201.33	\$ 217.78	\$ 16.44	8.2%
19	\$ 211.15	\$ 228.21	\$ 17.06	8.1%
20	\$ 220.96	\$ 238.64	\$ 17.68	8.0%
25	\$ 270.04	\$ 290.80	\$ 20.76	7.7%
30	\$ 319.11	\$ 342.96	\$ 23.85	7.5%
35	\$ 368.18	\$ 395.12	\$ 26.94	7.3%
40	\$ 417.25	\$ 447.28	\$ 30.03	7.2%
45	\$ 466.32	\$ 499.44	\$ 33.12	7.1%
50	\$ 515.40	\$ 551.60	\$ 36.20	7.0%
60	\$ 613.54	\$ 655.92	\$ 42.38	6.9%
70	\$ 711.69	\$ 760.24	\$ 48.56	6.8%
80	\$ 809.83	\$ 864.56	\$ 54.73	6.8%
90	\$ 907.97	\$ 968.88	\$ 60.91	6.7%
100	\$ 1,006.12	\$ 1,073.20	\$ 67.08	6.7%
125	\$ 1,251.48	\$ 1,334.00	\$ 82.52	6.6%
150	\$ 1,496.84	\$ 1,594.80	\$ 97.96	6.5%
200	\$ 1,987.56	\$ 2,116.40	\$ 128.84	6.5%
250	\$ 2,478.28	\$ 2,638.00	\$ 159.72	6.4%
300	\$ 2,969.01	\$ 3,159.61	\$ 190.60	6.4%
400	\$ 3,950.45	\$ 4,202.81	\$ 252.36	6.4%
500	\$ 4,931.89	\$ 5,246.01	\$ 314.11	6.4%
1,000	\$ 9,839.11	\$ 10,462.02	\$ 622.90	6.3%
2,000	\$ 19,653.55	\$ 20,894.03	\$ 1,240.48	6.3%
3,000	\$ 29,467.99	\$ 31,326.05	\$ 1,858.06	6.3%
4,000	\$ 39,282.43	\$ 41,758.07	\$ 2,475.64	6.3%
5,000	\$ 49,096.87	\$ 52,190.09	\$ 3,093.22	6.3%
6,000	\$ 58,911.31	\$ 62,622.10	\$ 3,710.80	6.3%
7,000	\$ 68,725.74	\$ 73,054.12	\$ 4,328.38	6.3%
8,000	\$ 78,540.18	\$ 83,486.14	\$ 4,945.96	6.3%
9,000	\$ 88,354.62	\$ 93,918.16	\$ 5,563.54	6.3%
10,000	\$ 98,169.06	\$ 104,350.17	\$ 6,181.11	6.3%
20,000	\$ 196,313.44	\$ 208,670.35	\$ 12,356.90	6.3%
30,000	\$ 294,457.83	\$ 312,990.52	\$ 18,532.69	6.3%

UGI Utilities, Inc.- Gas Division, Former North Rate District  
Comparison of Present and Proposed Rates  
Rate Schedule N

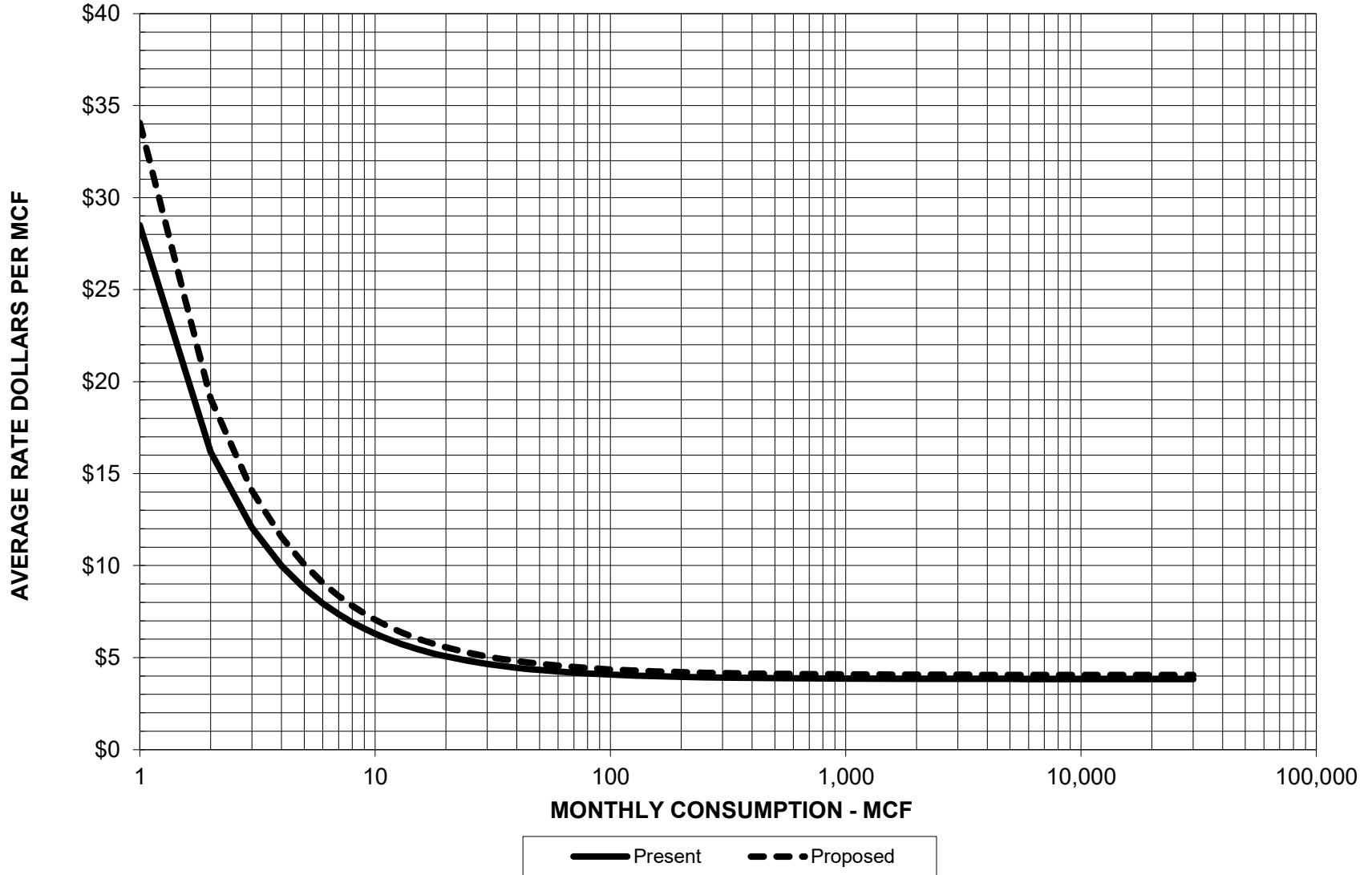




**UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts**  
**Non-Residential Transportation Service - Rate Schedule NT**  
**Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 24.68	\$ 30.00	\$ 5.33	21.6%
1	\$ 28.50	\$ 34.06	\$ 5.56	19.5%
2	\$ 32.33	\$ 38.12	\$ 5.79	17.9%
3	\$ 36.16	\$ 42.19	\$ 6.02	16.6%
4	\$ 39.99	\$ 46.25	\$ 6.25	15.6%
5	\$ 43.82	\$ 50.31	\$ 6.48	14.8%
6	\$ 47.65	\$ 54.37	\$ 6.72	14.1%
7	\$ 51.48	\$ 58.43	\$ 6.95	13.5%
8	\$ 55.31	\$ 62.49	\$ 7.18	13.0%
9	\$ 59.14	\$ 66.56	\$ 7.41	12.5%
10	\$ 62.97	\$ 70.62	\$ 7.64	12.1%
11	\$ 66.80	\$ 74.68	\$ 7.88	11.8%
12	\$ 70.63	\$ 78.74	\$ 8.11	11.5%
13	\$ 74.46	\$ 82.80	\$ 8.34	11.2%
14	\$ 78.29	\$ 86.86	\$ 8.57	10.9%
15	\$ 82.12	\$ 90.93	\$ 8.80	10.7%
16	\$ 85.95	\$ 94.99	\$ 9.03	10.5%
17	\$ 89.78	\$ 99.05	\$ 9.27	10.3%
18	\$ 93.61	\$ 103.11	\$ 9.50	10.1%
19	\$ 97.44	\$ 107.17	\$ 9.73	10.0%
20	\$ 101.27	\$ 111.23	\$ 9.96	9.8%
25	\$ 120.42	\$ 131.54	\$ 11.12	9.2%
30	\$ 139.57	\$ 151.85	\$ 12.28	8.8%
35	\$ 158.72	\$ 172.16	\$ 13.44	8.5%
40	\$ 177.87	\$ 192.47	\$ 14.60	8.2%
45	\$ 197.02	\$ 212.78	\$ 15.76	8.0%
50	\$ 216.17	\$ 233.09	\$ 16.92	7.8%
60	\$ 254.47	\$ 273.70	\$ 19.23	7.6%
70	\$ 292.77	\$ 314.32	\$ 21.55	7.4%
80	\$ 331.07	\$ 354.94	\$ 23.87	7.2%
90	\$ 369.36	\$ 395.55	\$ 26.19	7.1%
100	\$ 407.66	\$ 436.17	\$ 28.51	7.0%
125	\$ 503.41	\$ 537.71	\$ 34.30	6.8%
150	\$ 599.16	\$ 639.26	\$ 40.10	6.7%
200	\$ 790.65	\$ 842.34	\$ 51.69	6.5%
250	\$ 982.14	\$ 1,045.43	\$ 63.28	6.4%
300	\$ 1,173.64	\$ 1,248.51	\$ 74.87	6.4%
400	\$ 1,556.63	\$ 1,654.68	\$ 98.06	6.3%
500	\$ 1,939.61	\$ 2,060.85	\$ 121.24	6.3%
1,000	\$ 3,854.55	\$ 4,091.70	\$ 237.15	6.2%
2,000	\$ 7,684.43	\$ 8,153.40	\$ 468.97	6.1%
3,000	\$ 11,514.30	\$ 12,215.10	\$ 700.80	6.1%
4,000	\$ 15,344.18	\$ 16,276.80	\$ 932.63	6.1%
5,000	\$ 19,174.05	\$ 20,338.50	\$ 1,164.45	6.1%
6,000	\$ 23,003.93	\$ 24,400.20	\$ 1,396.28	6.1%
7,000	\$ 26,833.80	\$ 28,461.90	\$ 1,628.10	6.1%
8,000	\$ 30,663.68	\$ 32,523.60	\$ 1,859.93	6.1%
9,000	\$ 34,493.55	\$ 36,585.30	\$ 2,091.75	6.1%
10,000	\$ 38,323.43	\$ 40,647.00	\$ 2,323.58	6.1%
20,000	\$ 76,622.18	\$ 81,264.00	\$ 4,641.83	6.1%
30,000	\$ 114,920.93	\$ 121,881.00	\$ 6,960.07	6.1%

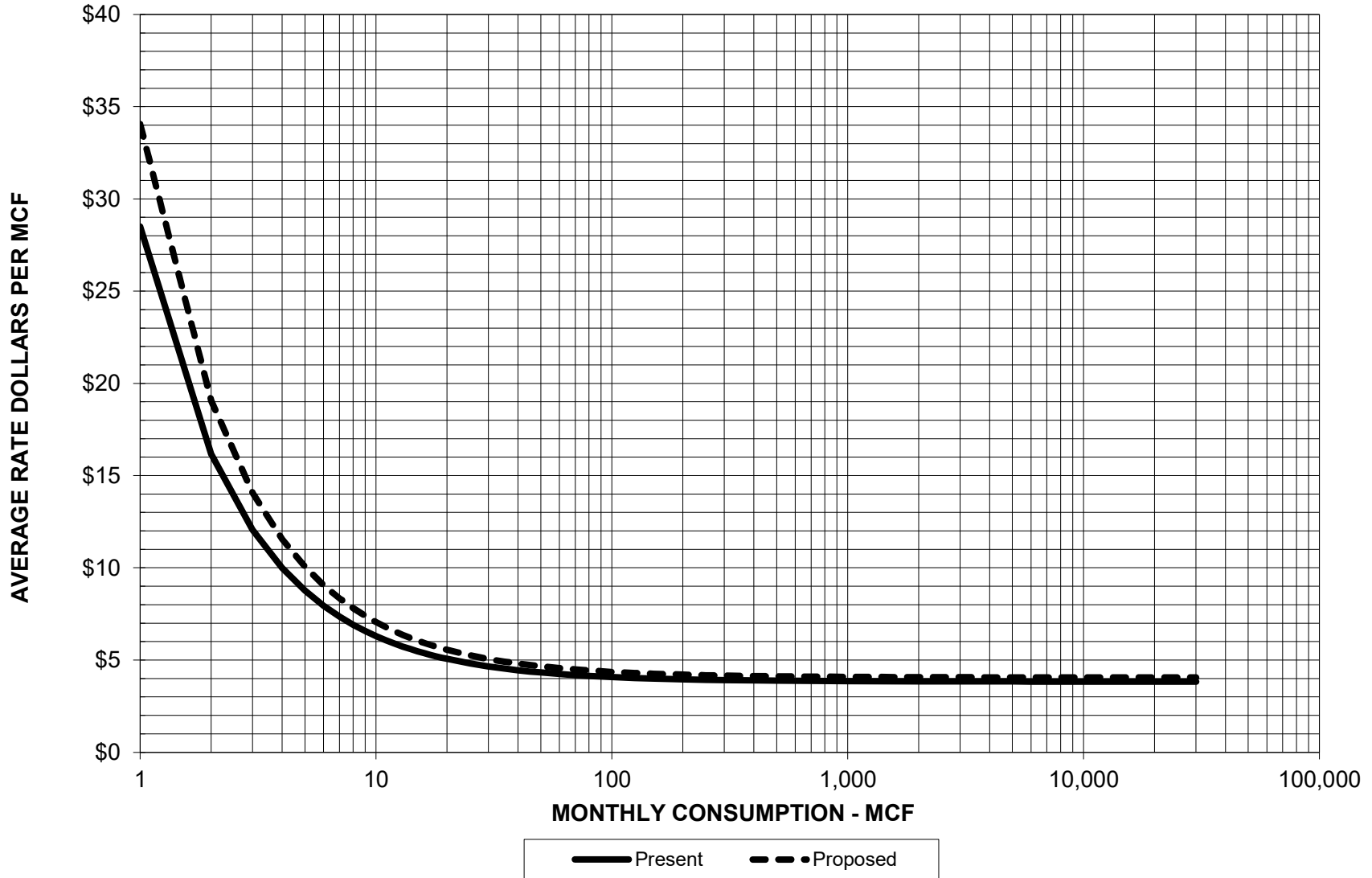
UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts  
Comparison of Present and Proposed Rates  
Rate Schedule NT



**UGI Utilities, Inc. - Gas Division, Former North Rate District  
Non-Residential Transportation Service - Rate Schedule NT  
Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 24.68	\$ 30.00	\$ 5.33	21.6%
1	\$ 28.50	\$ 34.06	\$ 5.56	19.5%
2	\$ 32.33	\$ 38.12	\$ 5.79	17.9%
3	\$ 36.16	\$ 42.19	\$ 6.02	16.6%
4	\$ 39.99	\$ 46.25	\$ 6.25	15.6%
5	\$ 43.82	\$ 50.31	\$ 6.48	14.8%
6	\$ 47.65	\$ 54.37	\$ 6.72	14.1%
7	\$ 51.48	\$ 58.43	\$ 6.95	13.5%
8	\$ 55.31	\$ 62.49	\$ 7.18	13.0%
9	\$ 59.14	\$ 66.56	\$ 7.41	12.5%
10	\$ 62.97	\$ 70.62	\$ 7.64	12.1%
11	\$ 66.80	\$ 74.68	\$ 7.88	11.8%
12	\$ 70.63	\$ 78.74	\$ 8.11	11.5%
13	\$ 74.46	\$ 82.80	\$ 8.34	11.2%
14	\$ 78.29	\$ 86.86	\$ 8.57	10.9%
15	\$ 82.12	\$ 90.93	\$ 8.80	10.7%
16	\$ 85.95	\$ 94.99	\$ 9.03	10.5%
17	\$ 89.78	\$ 99.05	\$ 9.27	10.3%
18	\$ 93.61	\$ 103.11	\$ 9.50	10.1%
19	\$ 97.44	\$ 107.17	\$ 9.73	10.0%
20	\$ 101.27	\$ 111.23	\$ 9.96	9.8%
25	\$ 120.42	\$ 131.54	\$ 11.12	9.2%
30	\$ 139.57	\$ 151.85	\$ 12.28	8.8%
35	\$ 158.72	\$ 172.16	\$ 13.44	8.5%
40	\$ 177.87	\$ 192.47	\$ 14.60	8.2%
45	\$ 197.02	\$ 212.78	\$ 15.76	8.0%
50	\$ 216.17	\$ 233.09	\$ 16.92	7.8%
60	\$ 254.47	\$ 273.70	\$ 19.23	7.6%
70	\$ 292.77	\$ 314.32	\$ 21.55	7.4%
80	\$ 331.07	\$ 354.94	\$ 23.87	7.2%
90	\$ 369.36	\$ 395.55	\$ 26.19	7.1%
100	\$ 407.66	\$ 436.17	\$ 28.51	7.0%
125	\$ 503.41	\$ 537.71	\$ 34.30	6.8%
150	\$ 599.16	\$ 639.26	\$ 40.10	6.7%
200	\$ 790.65	\$ 842.34	\$ 51.69	6.5%
250	\$ 982.14	\$ 1,045.43	\$ 63.28	6.4%
300	\$ 1,173.64	\$ 1,248.51	\$ 74.87	6.4%
400	\$ 1,556.63	\$ 1,654.68	\$ 98.06	6.3%
500	\$ 1,939.61	\$ 2,060.85	\$ 121.24	6.3%
1,000	\$ 3,854.55	\$ 4,091.70	\$ 237.15	6.2%
2,000	\$ 7,684.43	\$ 8,153.40	\$ 468.97	6.1%
3,000	\$ 11,514.30	\$ 12,215.10	\$ 700.80	6.1%
4,000	\$ 15,344.18	\$ 16,276.80	\$ 932.63	6.1%
5,000	\$ 19,174.05	\$ 20,338.50	\$ 1,164.45	6.1%
6,000	\$ 23,003.93	\$ 24,400.20	\$ 1,396.28	6.1%
7,000	\$ 26,833.80	\$ 28,461.90	\$ 1,628.10	6.1%
8,000	\$ 30,663.68	\$ 32,523.60	\$ 1,859.93	6.1%
9,000	\$ 34,493.55	\$ 36,585.30	\$ 2,091.75	6.1%
10,000	\$ 38,323.43	\$ 40,647.00	\$ 2,323.58	6.1%
20,000	\$ 76,622.18	\$ 81,264.00	\$ 4,641.83	6.1%
30,000	\$ 114,920.93	\$ 121,881.00	\$ 6,960.07	6.1%

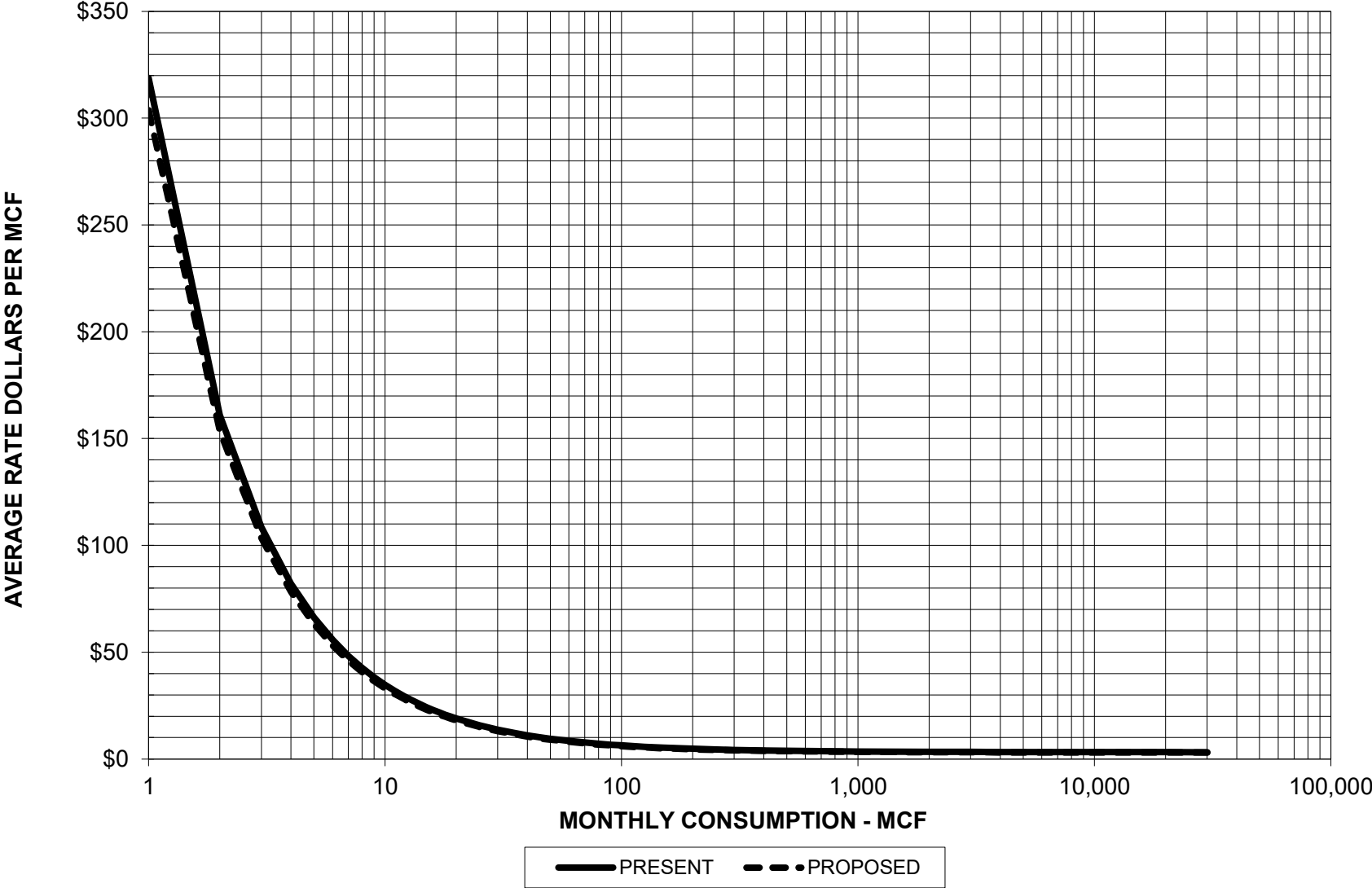
UGI Utilities, Inc. - Gas Division, Former North Rate District  
Comparison of Present and Proposed Rates  
Rate Schedule NT



**UGI Utilities, Inc. - Gas Division -Former South and Central Rate Districts**  
**Delivery Service - Rate Schedule DS**  
**Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 315.75	\$ 300.72	\$ (15.04)	-4.8%
1	\$ 318.94	\$ 303.78	\$ (15.16)	-4.8%
2	\$ 322.13	\$ 306.84	\$ (15.29)	-4.7%
3	\$ 325.31	\$ 309.90	\$ (15.42)	-4.7%
4	\$ 328.50	\$ 312.96	\$ (15.54)	-4.7%
5	\$ 331.69	\$ 316.02	\$ (15.67)	-4.7%
6	\$ 334.87	\$ 319.07	\$ (15.80)	-4.7%
7	\$ 338.06	\$ 322.13	\$ (15.93)	-4.7%
8	\$ 341.25	\$ 325.19	\$ (16.05)	-4.7%
9	\$ 344.43	\$ 328.25	\$ (16.18)	-4.7%
10	\$ 347.62	\$ 331.31	\$ (16.31)	-4.7%
11	\$ 350.81	\$ 334.37	\$ (16.43)	-4.7%
12	\$ 353.99	\$ 337.43	\$ (16.56)	-4.7%
13	\$ 357.18	\$ 340.49	\$ (16.69)	-4.7%
14	\$ 360.37	\$ 343.55	\$ (16.81)	-4.7%
15	\$ 363.55	\$ 346.61	\$ (16.94)	-4.7%
16	\$ 366.74	\$ 349.67	\$ (17.07)	-4.7%
17	\$ 369.93	\$ 352.73	\$ (17.20)	-4.6%
18	\$ 373.11	\$ 355.79	\$ (17.32)	-4.6%
19	\$ 376.30	\$ 358.85	\$ (17.45)	-4.6%
20	\$ 379.48	\$ 361.91	\$ (17.58)	-4.6%
25	\$ 395.42	\$ 377.21	\$ (18.21)	-4.6%
30	\$ 411.35	\$ 392.50	\$ (18.85)	-4.6%
35	\$ 427.28	\$ 407.80	\$ (19.48)	-4.6%
40	\$ 443.22	\$ 423.10	\$ (20.12)	-4.5%
45	\$ 459.15	\$ 438.40	\$ (20.75)	-4.5%
50	\$ 475.08	\$ 453.69	\$ (21.39)	-4.5%
60	\$ 506.95	\$ 484.29	\$ (22.66)	-4.5%
70	\$ 538.81	\$ 514.88	\$ (23.93)	-4.4%
80	\$ 570.68	\$ 545.48	\$ (25.20)	-4.4%
90	\$ 602.54	\$ 576.07	\$ (26.47)	-4.4%
100	\$ 634.41	\$ 606.67	\$ (27.74)	-4.4%
125	\$ 714.07	\$ 683.16	\$ (30.92)	-4.3%
150	\$ 793.73	\$ 759.64	\$ (34.09)	-4.3%
200	\$ 953.06	\$ 912.62	\$ (40.44)	-4.2%
250	\$ 1,112.39	\$ 1,065.59	\$ (46.80)	-4.2%
300	\$ 1,271.72	\$ 1,218.57	\$ (53.15)	-4.2%
400	\$ 1,590.37	\$ 1,524.52	\$ (65.85)	-4.1%
500	\$ 1,909.02	\$ 1,830.47	\$ (78.56)	-4.1%
1,000	\$ 3,502.29	\$ 3,360.22	\$ (142.08)	-4.1%
2,000	\$ 6,688.83	\$ 6,419.72	\$ (269.12)	-4.0%
3,000	\$ 9,875.37	\$ 9,479.22	\$ (396.16)	-4.0%
4,000	\$ 13,061.91	\$ 12,538.72	\$ (523.20)	-4.0%
5,000	\$ 16,248.45	\$ 15,598.22	\$ (650.24)	-4.0%
6,000	\$ 19,434.99	\$ 18,657.72	\$ (777.28)	-4.0%
7,000	\$ 22,621.53	\$ 21,717.22	\$ (904.32)	-4.0%
8,000	\$ 25,808.07	\$ 24,776.72	\$ (1,031.36)	-4.0%
9,000	\$ 28,994.61	\$ 27,836.22	\$ (1,158.40)	-4.0%
10,000	\$ 32,181.15	\$ 30,895.72	\$ (1,285.44)	-4.0%
20,000	\$ 64,046.55	\$ 61,490.72	\$ (2,555.84)	-4.0%
30,000	\$ 95,911.95	\$ 92,085.72	\$ (3,826.24)	-4.0%

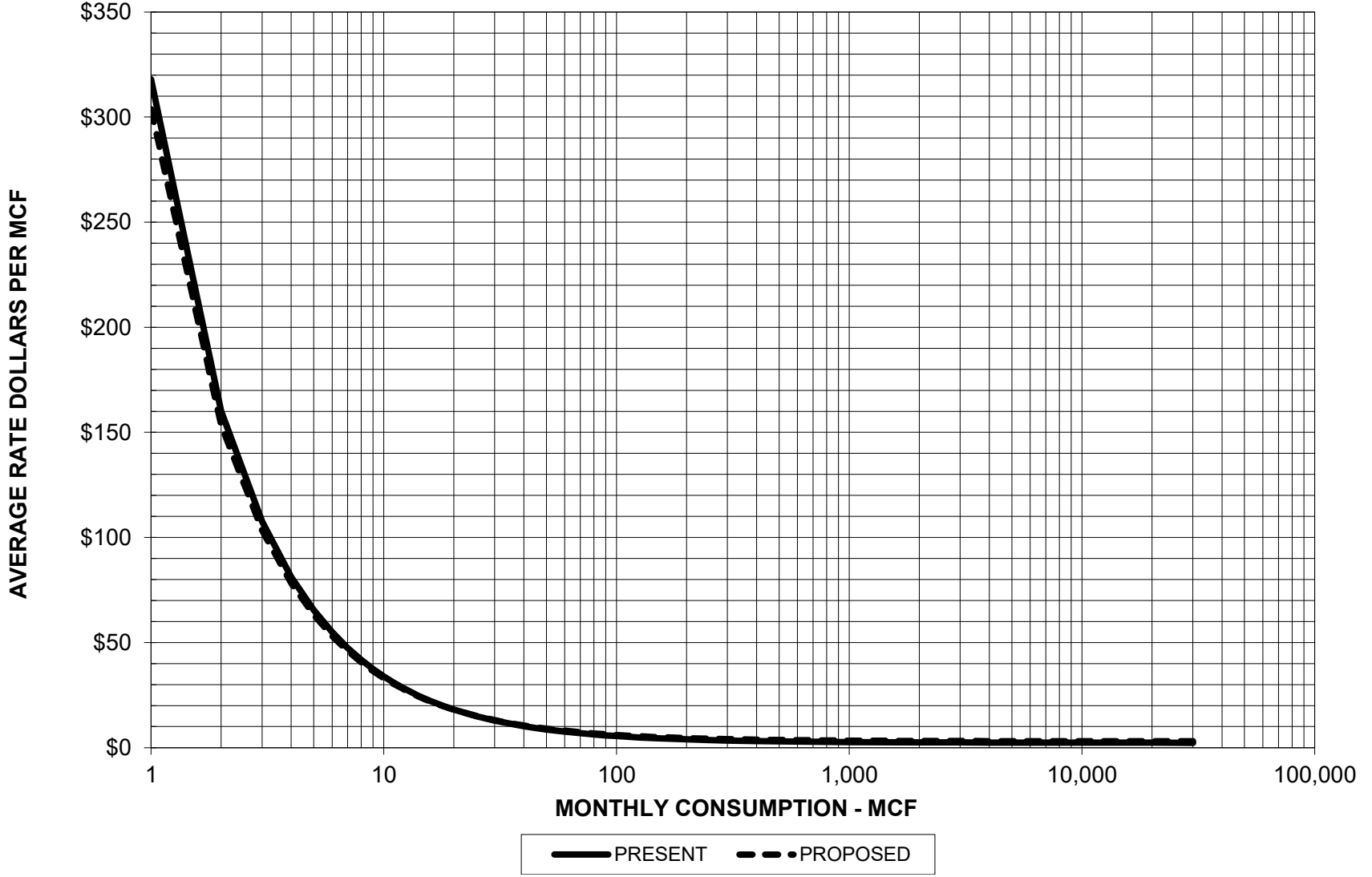
**UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts  
Comparison of Present and Proposed Rates  
Rate Schedule DS**



**UGI Utilities, Inc. - Gas Division -Former North Rate District  
Delivery Service - Rate Schedule DS  
Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 315.75	\$ 300.72	\$ (15.04)	-4.8%
1	\$ 318.08	\$ 303.78	\$ (14.30)	-4.5%
2	\$ 320.40	\$ 306.84	\$ (13.56)	-4.2%
3	\$ 322.73	\$ 309.90	\$ (12.83)	-4.0%
4	\$ 325.05	\$ 312.96	\$ (12.09)	-3.7%
5	\$ 327.37	\$ 316.02	\$ (11.36)	-3.5%
6	\$ 329.70	\$ 319.07	\$ (10.62)	-3.2%
7	\$ 332.02	\$ 322.13	\$ (9.89)	-3.0%
8	\$ 334.35	\$ 325.19	\$ (9.15)	-2.7%
9	\$ 336.67	\$ 328.25	\$ (8.42)	-2.5%
10	\$ 338.99	\$ 331.31	\$ (7.68)	-2.3%
11	\$ 341.32	\$ 334.37	\$ (6.95)	-2.0%
12	\$ 343.64	\$ 337.43	\$ (6.21)	-1.8%
13	\$ 345.97	\$ 340.49	\$ (5.47)	-1.6%
14	\$ 348.29	\$ 343.55	\$ (4.74)	-1.4%
15	\$ 350.61	\$ 346.61	\$ (4.00)	-1.1%
16	\$ 352.94	\$ 349.67	\$ (3.27)	-0.9%
17	\$ 355.26	\$ 352.73	\$ (2.53)	-0.7%
18	\$ 357.59	\$ 355.79	\$ (1.80)	-0.5%
19	\$ 359.91	\$ 358.85	\$ (1.06)	-0.3%
20	\$ 362.23	\$ 361.91	\$ (0.33)	-0.1%
25	\$ 373.85	\$ 377.21	\$ 3.35	0.9%
30	\$ 385.47	\$ 392.50	\$ 7.03	1.8%
35	\$ 397.09	\$ 407.80	\$ 10.71	2.7%
40	\$ 408.71	\$ 423.10	\$ 14.39	3.5%
45	\$ 420.33	\$ 438.40	\$ 18.06	4.3%
50	\$ 431.95	\$ 453.69	\$ 21.74	5.0%
60	\$ 455.19	\$ 484.29	\$ 29.10	6.4%
70	\$ 478.43	\$ 514.88	\$ 36.45	7.6%
80	\$ 501.67	\$ 545.48	\$ 43.81	8.7%
90	\$ 524.91	\$ 576.07	\$ 51.16	9.7%
100	\$ 548.15	\$ 606.67	\$ 58.52	10.7%
125	\$ 606.25	\$ 683.16	\$ 76.91	12.7%
150	\$ 664.35	\$ 759.64	\$ 95.29	14.3%
200	\$ 780.55	\$ 912.62	\$ 132.07	16.9%
250	\$ 896.75	\$ 1,065.59	\$ 168.85	18.8%
300	\$ 1,012.94	\$ 1,218.57	\$ 205.62	20.3%
400	\$ 1,245.34	\$ 1,524.52	\$ 279.18	22.4%
500	\$ 1,477.74	\$ 1,830.47	\$ 352.73	23.9%
1,000	\$ 2,639.72	\$ 3,360.22	\$ 720.50	27.3%
2,000	\$ 4,963.68	\$ 6,419.72	\$ 1,456.03	29.3%
3,000	\$ 7,287.65	\$ 9,479.22	\$ 2,191.57	30.1%
4,000	\$ 9,611.61	\$ 12,538.72	\$ 2,927.10	30.5%
5,000	\$ 11,935.58	\$ 15,598.22	\$ 3,662.64	30.7%
6,000	\$ 14,259.54	\$ 18,657.72	\$ 4,398.17	30.8%
7,000	\$ 16,583.51	\$ 21,717.22	\$ 5,133.71	31.0%
8,000	\$ 18,907.47	\$ 24,776.72	\$ 5,869.24	31.0%
9,000	\$ 21,231.44	\$ 27,836.22	\$ 6,604.78	31.1%
10,000	\$ 23,555.40	\$ 30,895.72	\$ 7,340.31	31.2%
20,000	\$ 46,795.05	\$ 61,490.72	\$ 14,695.66	31.4%
30,000	\$ 70,034.70	\$ 92,085.72	\$ 22,051.01	31.5%

**UGI Utilities, Inc. - Gas Division, Former North Rate District  
Comparison of Present and Proposed Rates  
Rate Schedule DS**



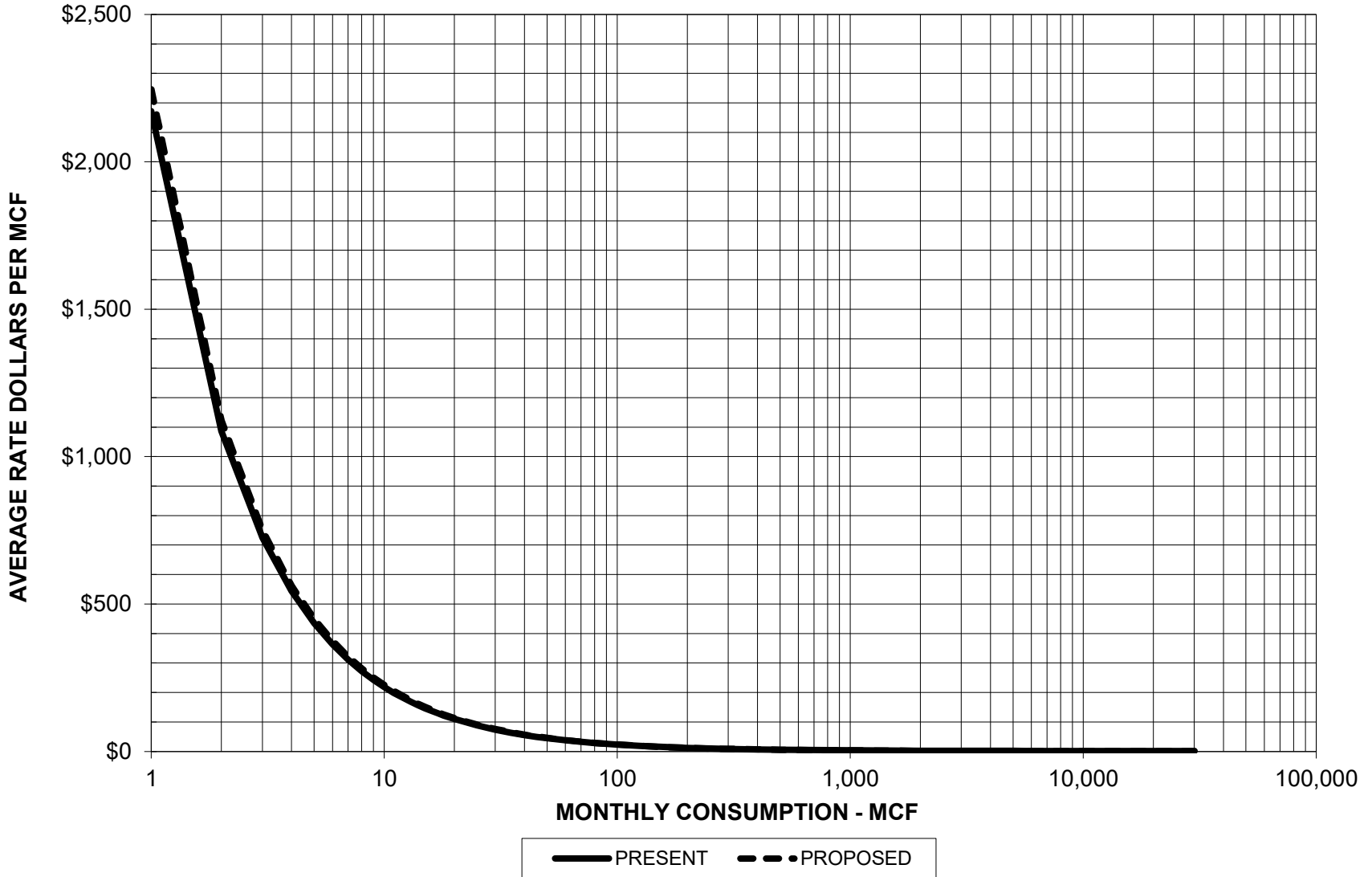


**UGI Utilities, Inc. - Gas Division**  
**Large Firm Delivery Service - Rate Schedule LFD**  
**Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 2,171.11	\$ 2,245.24	\$ 74.13	3.4%
1	\$ 2,172.34	\$ 2,246.52	\$ 74.18	3.4%
2	\$ 2,173.58	\$ 2,247.79	\$ 74.22	3.4%
3	\$ 2,174.81	\$ 2,249.07	\$ 74.26	3.4%
4	\$ 2,176.04	\$ 2,250.35	\$ 74.30	3.4%
5	\$ 2,177.28	\$ 2,251.62	\$ 74.34	3.4%
6	\$ 2,178.51	\$ 2,252.90	\$ 74.39	3.4%
7	\$ 2,179.75	\$ 2,254.18	\$ 74.43	3.4%
8	\$ 2,180.98	\$ 2,255.45	\$ 74.47	3.4%
9	\$ 2,182.22	\$ 2,256.73	\$ 74.51	3.4%
10	\$ 2,183.45	\$ 2,258.00	\$ 74.55	3.4%
11	\$ 2,184.68	\$ 2,259.28	\$ 74.60	3.4%
12	\$ 2,185.92	\$ 2,260.56	\$ 74.64	3.4%
13	\$ 2,187.15	\$ 2,261.83	\$ 74.68	3.4%
14	\$ 2,188.39	\$ 2,263.11	\$ 74.72	3.4%
15	\$ 2,189.62	\$ 2,264.39	\$ 74.77	3.4%
16	\$ 2,190.86	\$ 2,265.66	\$ 74.81	3.4%
17	\$ 2,192.09	\$ 2,266.94	\$ 74.85	3.4%
18	\$ 2,193.32	\$ 2,268.22	\$ 74.89	3.4%
19	\$ 2,194.56	\$ 2,269.49	\$ 74.93	3.4%
20	\$ 2,195.79	\$ 2,270.77	\$ 74.98	3.4%
25	\$ 2,201.96	\$ 2,277.15	\$ 75.19	3.4%
30	\$ 2,208.14	\$ 2,283.53	\$ 75.40	3.4%
35	\$ 2,214.31	\$ 2,289.91	\$ 75.61	3.4%
40	\$ 2,220.48	\$ 2,296.30	\$ 75.82	3.4%
45	\$ 2,226.65	\$ 2,302.68	\$ 76.03	3.4%
50	\$ 2,232.82	\$ 2,309.06	\$ 76.24	3.4%
60	\$ 2,245.16	\$ 2,321.82	\$ 76.66	3.4%
70	\$ 2,257.51	\$ 2,334.59	\$ 77.08	3.4%
80	\$ 2,269.85	\$ 2,347.35	\$ 77.50	3.4%
90	\$ 2,282.19	\$ 2,360.12	\$ 77.92	3.4%
100	\$ 2,294.54	\$ 2,372.88	\$ 78.35	3.4%
125	\$ 2,325.39	\$ 2,404.79	\$ 79.40	3.4%
150	\$ 2,356.25	\$ 2,436.70	\$ 80.45	3.4%
200	\$ 2,417.96	\$ 2,500.52	\$ 82.56	3.4%
250	\$ 2,479.68	\$ 2,564.34	\$ 84.66	3.4%
300	\$ 2,541.39	\$ 2,628.16	\$ 86.77	3.4%
400	\$ 2,664.82	\$ 2,755.80	\$ 90.98	3.4%
500	\$ 2,788.25	\$ 2,883.44	\$ 95.19	3.4%
1,000	\$ 3,405.39	\$ 3,521.64	\$ 116.25	3.4%
2,000	\$ 4,639.67	\$ 4,798.04	\$ 158.37	3.4%
3,000	\$ 5,873.95	\$ 6,074.44	\$ 200.49	3.4%
4,000	\$ 7,108.23	\$ 7,350.84	\$ 242.61	3.4%
5,000	\$ 8,342.51	\$ 8,627.24	\$ 284.73	3.4%
6,000	\$ 9,576.79	\$ 9,903.64	\$ 326.85	3.4%
7,000	\$ 10,811.07	\$ 11,180.04	\$ 368.97	3.4%
8,000	\$ 12,045.35	\$ 12,456.44	\$ 411.09	3.4%
9,000	\$ 13,279.63	\$ 13,732.84	\$ 453.21	3.4%
10,000	\$ 14,513.91	\$ 15,009.24	\$ 495.33	3.4%
20,000	\$ 26,856.71	\$ 27,773.24	\$ 916.53	3.4%
30,000	\$ 39,199.51	\$ 40,537.24	\$ 1,337.73	3.4%

**UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule LFD**

Attachment IV-B-7  
S. A. Epler  
Page 18 of 22

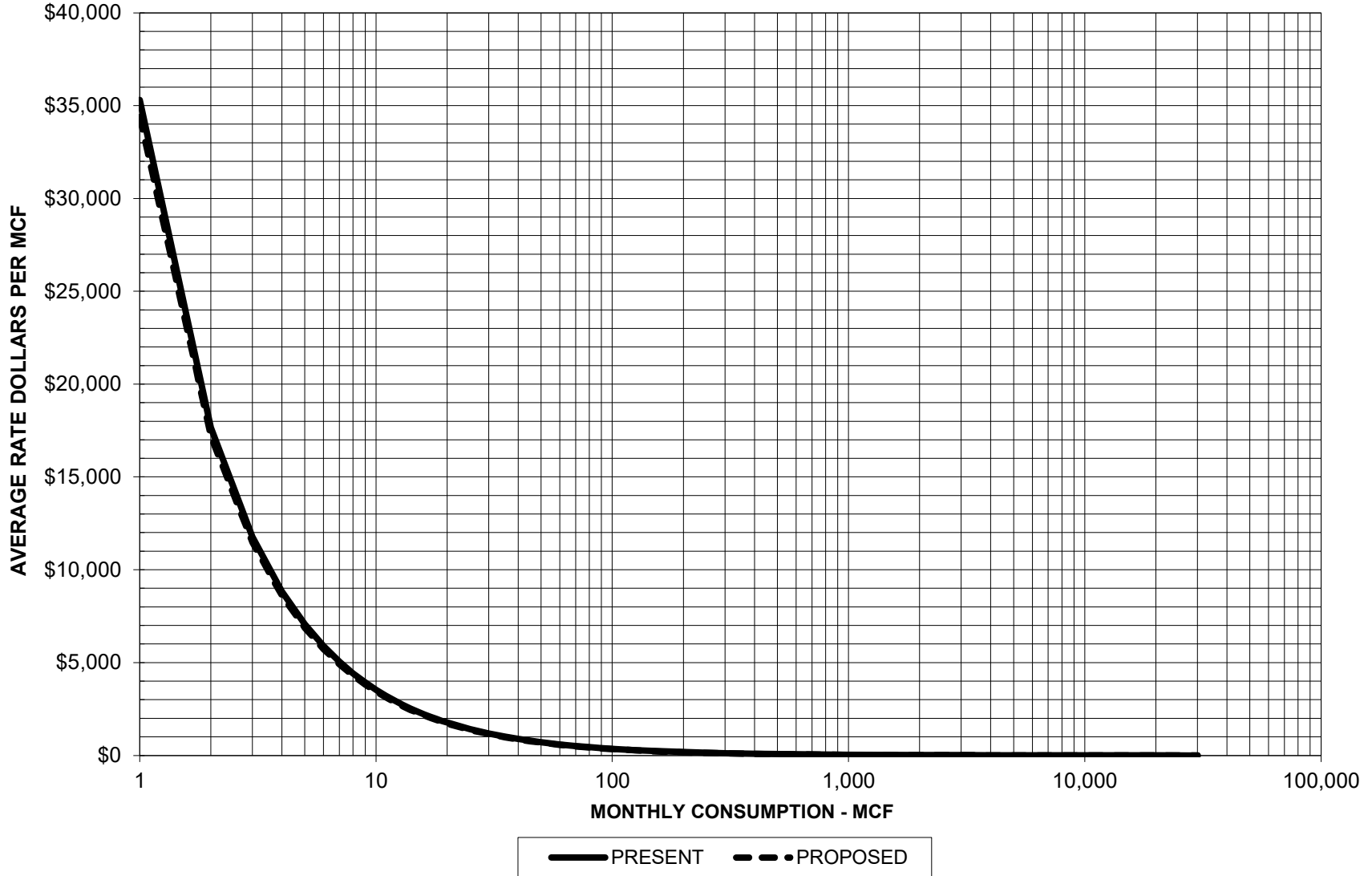


**UGI Utilities, Inc. - Gas Division**  
**Extended Large Firm Delivery Service - Rate Schedule XD**  
**Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 35,319.21	\$ 34,393.51	\$ (925.70)	-2.6%
1	\$ 35,319.27	\$ 34,393.57	\$ (925.70)	-2.6%
2	\$ 35,319.33	\$ 34,393.62	\$ (925.71)	-2.6%
3	\$ 35,319.38	\$ 34,393.68	\$ (925.71)	-2.6%
4	\$ 35,319.44	\$ 34,393.73	\$ (925.71)	-2.6%
5	\$ 35,319.49	\$ 34,393.79	\$ (925.71)	-2.6%
6	\$ 35,319.55	\$ 34,393.84	\$ (925.71)	-2.6%
7	\$ 35,319.61	\$ 34,393.89	\$ (925.71)	-2.6%
8	\$ 35,319.66	\$ 34,393.95	\$ (925.71)	-2.6%
9	\$ 35,319.72	\$ 34,394.00	\$ (925.72)	-2.6%
10	\$ 35,319.78	\$ 34,394.06	\$ (925.72)	-2.6%
11	\$ 35,319.83	\$ 34,394.11	\$ (925.72)	-2.6%
12	\$ 35,319.89	\$ 34,394.17	\$ (925.72)	-2.6%
13	\$ 35,319.94	\$ 34,394.22	\$ (925.72)	-2.6%
14	\$ 35,320.00	\$ 34,394.28	\$ (925.72)	-2.6%
15	\$ 35,320.06	\$ 34,394.33	\$ (925.72)	-2.6%
16	\$ 35,320.11	\$ 34,394.39	\$ (925.73)	-2.6%
17	\$ 35,320.17	\$ 34,394.44	\$ (925.73)	-2.6%
18	\$ 35,320.23	\$ 34,394.50	\$ (925.73)	-2.6%
19	\$ 35,320.28	\$ 34,394.55	\$ (925.73)	-2.6%
20	\$ 35,320.34	\$ 34,394.61	\$ (925.73)	-2.6%
25	\$ 35,320.62	\$ 34,394.88	\$ (925.74)	-2.6%
30	\$ 35,320.90	\$ 34,395.15	\$ (925.75)	-2.6%
35	\$ 35,321.18	\$ 34,395.43	\$ (925.75)	-2.6%
40	\$ 35,321.46	\$ 34,395.70	\$ (925.76)	-2.6%
45	\$ 35,321.74	\$ 34,395.98	\$ (925.77)	-2.6%
50	\$ 35,322.03	\$ 34,396.25	\$ (925.78)	-2.6%
60	\$ 35,322.59	\$ 34,396.80	\$ (925.79)	-2.6%
70	\$ 35,323.15	\$ 34,397.35	\$ (925.81)	-2.6%
80	\$ 35,323.71	\$ 34,397.89	\$ (925.82)	-2.6%
90	\$ 35,324.28	\$ 34,398.44	\$ (925.83)	-2.6%
100	\$ 35,324.84	\$ 34,398.99	\$ (925.85)	-2.6%
125	\$ 35,326.24	\$ 34,400.36	\$ (925.89)	-2.6%
150	\$ 35,327.65	\$ 34,401.73	\$ (925.92)	-2.6%
200	\$ 35,330.46	\$ 34,404.46	\$ (926.00)	-2.6%
250	\$ 35,333.27	\$ 34,407.20	\$ (926.07)	-2.6%
300	\$ 35,336.08	\$ 34,409.94	\$ (926.14)	-2.6%
400	\$ 35,341.71	\$ 34,415.42	\$ (926.29)	-2.6%
500	\$ 35,347.33	\$ 34,420.89	\$ (926.44)	-2.6%
1,000	\$ 35,375.45	\$ 34,448.27	\$ (927.18)	-2.6%
2,000	\$ 35,431.69	\$ 34,503.04	\$ (928.65)	-2.6%
3,000	\$ 35,487.93	\$ 34,557.80	\$ (930.12)	-2.6%
4,000	\$ 35,544.16	\$ 34,612.56	\$ (931.60)	-2.6%
5,000	\$ 35,600.40	\$ 34,667.33	\$ (933.07)	-2.6%
6,000	\$ 35,656.64	\$ 34,722.09	\$ (934.55)	-2.6%
7,000	\$ 35,712.87	\$ 34,776.85	\$ (936.02)	-2.6%
8,000	\$ 35,769.11	\$ 34,831.62	\$ (937.49)	-2.6%
9,000	\$ 35,825.35	\$ 34,886.38	\$ (938.97)	-2.6%
10,000	\$ 35,881.59	\$ 34,941.14	\$ (940.44)	-2.6%
20,000	\$ 36,443.96	\$ 35,488.78	\$ (955.18)	-2.6%
30,000	\$ 37,006.33	\$ 36,036.41	\$ (969.92)	-2.6%

**UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule XD**

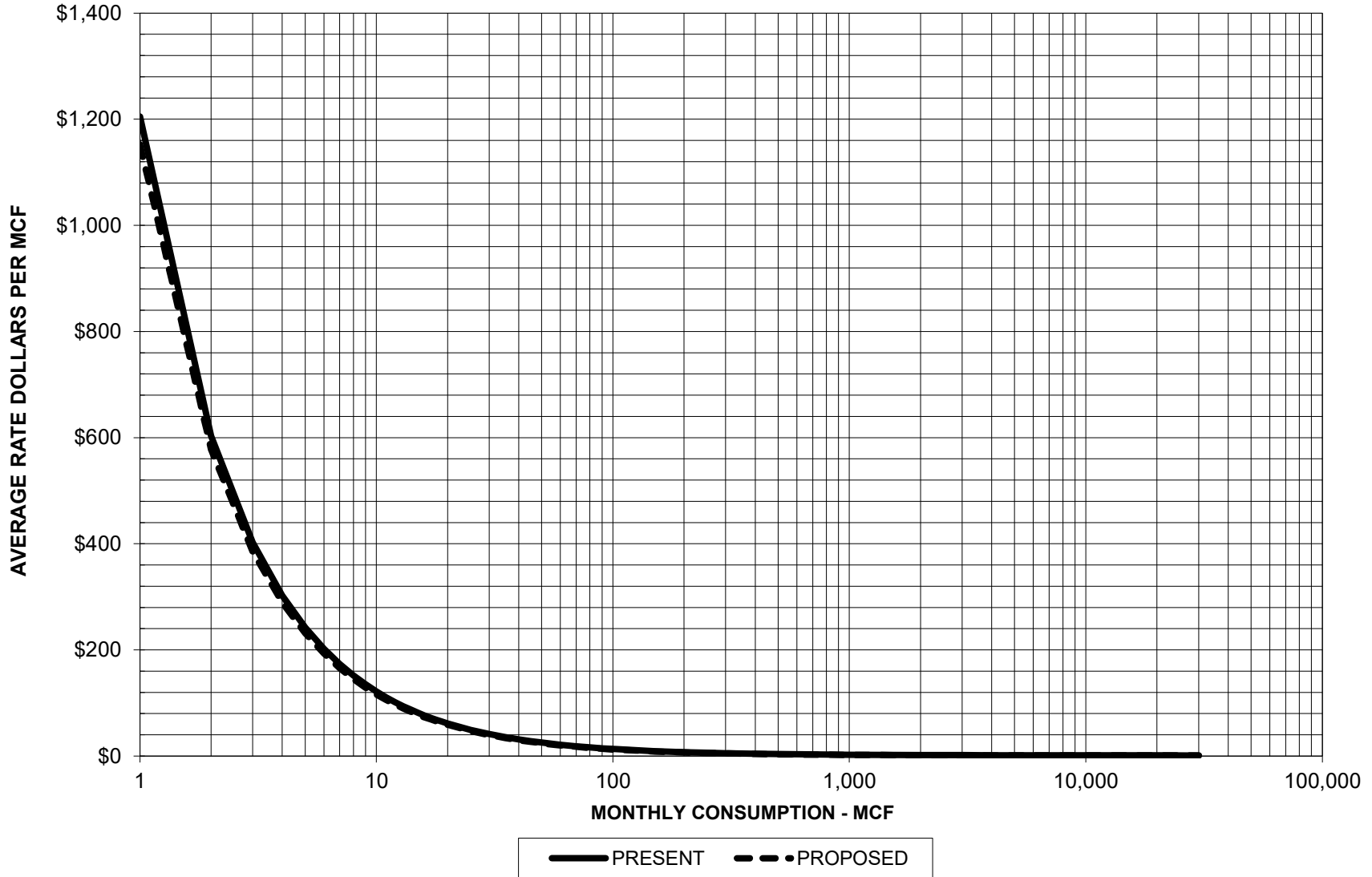
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Page 20 of 22



**UGI Utilities, Inc. - Gas Division**  
**Interruptible Service - Rate Schedule IS**  
**Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 1,204.20	\$ 1,151.59	\$ (52.62)	-4.4%
1	\$ 1,205.42	\$ 1,152.75	\$ (52.67)	-4.4%
2	\$ 1,206.63	\$ 1,153.91	\$ (52.72)	-4.4%
3	\$ 1,207.85	\$ 1,155.07	\$ (52.78)	-4.4%
4	\$ 1,209.06	\$ 1,156.23	\$ (52.83)	-4.4%
5	\$ 1,210.27	\$ 1,157.39	\$ (52.88)	-4.4%
6	\$ 1,211.49	\$ 1,158.55	\$ (52.93)	-4.4%
7	\$ 1,212.70	\$ 1,159.72	\$ (52.99)	-4.4%
8	\$ 1,213.92	\$ 1,160.88	\$ (53.04)	-4.4%
9	\$ 1,215.13	\$ 1,162.04	\$ (53.09)	-4.4%
10	\$ 1,216.35	\$ 1,163.20	\$ (53.15)	-4.4%
11	\$ 1,217.56	\$ 1,164.36	\$ (53.20)	-4.4%
12	\$ 1,218.78	\$ 1,165.52	\$ (53.25)	-4.4%
13	\$ 1,219.99	\$ 1,166.68	\$ (53.31)	-4.4%
14	\$ 1,221.20	\$ 1,167.85	\$ (53.36)	-4.4%
15	\$ 1,222.42	\$ 1,169.01	\$ (53.41)	-4.4%
16	\$ 1,223.63	\$ 1,170.17	\$ (53.46)	-4.4%
17	\$ 1,224.85	\$ 1,171.33	\$ (53.52)	-4.4%
18	\$ 1,226.06	\$ 1,172.49	\$ (53.57)	-4.4%
19	\$ 1,227.28	\$ 1,173.65	\$ (53.62)	-4.4%
20	\$ 1,228.49	\$ 1,174.81	\$ (53.68)	-4.4%
25	\$ 1,234.56	\$ 1,180.62	\$ (53.94)	-4.4%
30	\$ 1,240.64	\$ 1,186.43	\$ (54.21)	-4.4%
35	\$ 1,246.71	\$ 1,192.24	\$ (54.47)	-4.4%
40	\$ 1,252.78	\$ 1,198.04	\$ (54.74)	-4.4%
45	\$ 1,258.86	\$ 1,203.85	\$ (55.00)	-4.4%
50	\$ 1,264.93	\$ 1,209.66	\$ (55.27)	-4.4%
60	\$ 1,277.07	\$ 1,221.27	\$ (55.80)	-4.4%
70	\$ 1,289.22	\$ 1,232.89	\$ (56.33)	-4.4%
80	\$ 1,301.36	\$ 1,244.50	\$ (56.86)	-4.4%
90	\$ 1,313.51	\$ 1,256.12	\$ (57.39)	-4.4%
100	\$ 1,325.65	\$ 1,267.73	\$ (57.92)	-4.4%
125	\$ 1,356.02	\$ 1,296.77	\$ (59.25)	-4.4%
150	\$ 1,386.38	\$ 1,325.80	\$ (60.58)	-4.4%
200	\$ 1,447.11	\$ 1,383.88	\$ (63.23)	-4.4%
250	\$ 1,507.83	\$ 1,441.95	\$ (65.88)	-4.4%
300	\$ 1,568.56	\$ 1,500.02	\$ (68.54)	-4.4%
400	\$ 1,690.01	\$ 1,616.17	\$ (73.84)	-4.4%
500	\$ 1,811.47	\$ 1,732.32	\$ (79.15)	-4.4%
1,000	\$ 2,418.73	\$ 2,313.05	\$ (105.68)	-4.4%
2,000	\$ 3,633.26	\$ 3,474.51	\$ (158.75)	-4.4%
3,000	\$ 4,847.78	\$ 4,635.97	\$ (211.82)	-4.4%
4,000	\$ 6,062.31	\$ 5,797.43	\$ (264.88)	-4.4%
5,000	\$ 7,276.84	\$ 6,958.89	\$ (317.95)	-4.4%
6,000	\$ 8,491.37	\$ 8,120.35	\$ (371.02)	-4.4%
7,000	\$ 9,705.89	\$ 9,281.81	\$ (424.09)	-4.4%
8,000	\$ 10,920.42	\$ 10,443.27	\$ (477.15)	-4.4%
9,000	\$ 12,134.95	\$ 11,604.73	\$ (530.22)	-4.4%
10,000	\$ 13,349.48	\$ 12,766.19	\$ (583.29)	-4.4%
20,000	\$ 25,494.75	\$ 24,380.79	\$ (1,113.96)	-4.4%
30,000	\$ 37,640.03	\$ 35,995.40	\$ (1,644.63)	-4.4%

**UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule IS**



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-8

Request:

Supply a map showing the Gas System Facilities and Gas Service Areas. The map should include transmission lines, distribution lines, other companies' lines interconnecting with the interconnecting points clearly designated, major compressor stations, gas storage areas and gas storage lines. The normal direction of gas flow within the transmission system should be indicated by arrows. Separate service areas within the system should be clearly designated.

Response:

Please see the response to I-C-2.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-9

Request:

Supply a cost analysis supporting minimum charges for all rate schedules.

Response:

Please see UGI Gas Exhibit D, Schedule G.

Prepared by or under the supervision of: Constance E. Heppenstall



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-10

Request:

Supply a cost analysis supporting demand charges for all tariffs which contain demand charges.

Response:

Please see UGI Gas Exhibit D, Schedule H.

Prepared by or under the supervision of: Constance E. Heppenstall

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-11

Request:

Supply the net fuel clause adjustment by month for the test year.

Response:

The Company does not have a net fuel clause adjustment.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-12

Request:

Supply a tabulation of base rate bills for each rate schedule comparing the existing rates to proposed rates. The tabulation should show the dollar difference and the per cent increase or decrease.

Response:

Please see the Direct Testimony of Sherry A. Epler, UGI Gas Statement No. 8, and the responses to IV-B-5 and IV-B-7.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-13

Request:

Submit the projected demands for all customer classes for both purchased and produced gas for the three years following the test year filing.

Response:

Please reference Attachment 4-1 of UGI Gas Docket No. R-2021-3025652 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filings which can be found at URL <https://www.puc.pa.gov/pdocs/1702100.pdf>.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2022

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IV-B-14

Request:

Supply an exhibit showing the gas deliveries to each customer class for the most recent 24 month period. The exhibit should identify the source of the gas, such as “purchased” (pipeline), “production” (includes purchases from local producers), “storage withdrawal,” “propane/air,” and “unaccounted for.”

Response:

Please see Attachment IV-B-14.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc. - Gas Division  
Deliveries by Rate Class (MCF)

	Rate R	Rate GL	Rate R	Rate RT	Rate N	Rate GL	Rate N	Rate N	Rate N	Rate NT	Rate DS	Rate XD	Rate LFD	Rate IS		
	Residential Non Heating	Residential Gas Lights	Residential Heating	Residential Transportation	Commercial Non Heating	Commercial Gas Lights	Commercial Heating	Industrial Non Heating	Industrial Heating	Non-Residential Transportation	Delivery Service	Extended Large Volume Delivery Service	Large Firm Delivery Service	Interruptible Service Transportation	Co Use	Unaccounted for Gas
October 2019	26,701	122	1,726,999	255,817	54,679	508	604,415	7,648	18,615	637,340	591,000	14,841,308	1,713,349	1,226,183	11,287	209,608
November 2019	36,147	133	5,273,189	747,355	65,583	1,118	2,022,928	10,566	76,667	1,688,474	1,119,143	14,235,021	2,102,516	1,336,259	18,302	1,453,577
December 2019	58,422	117	7,688,605	1,246,404	94,542	753	2,178,347	16,388	97,959	1,569,409	1,537,219	15,799,590	2,329,663	1,397,937	25,319	562,956
January 2020	55,850	113	7,049,714	1,063,929	109,606	891	2,594,543	24,390	145,167	2,137,780	1,511,257	17,786,998	2,498,168	1,402,549	44,782	(207,196)
February 2020	41,320	110	5,863,516	858,353	114,947	912	2,432,882	31,590	119,565	1,826,064	1,563,260	17,474,113	2,263,967	1,297,829	44,006	(1,137,014)
March 2020	34,013	121	4,272,580	628,843	81,408	2,736	2,254,149	12,434	73,468	1,311,864	559,797	15,272,166	2,058,455	1,036,856	50,229	(1,107,415)
April 2020	38,033	120	3,939,351	634,022	44,386	1,449	597,724	8,684	50,899	1,033,303	762,340	13,660,578	1,745,735	963,614	32,882	939,797
May 2020	26,010	147	1,893,647	295,875	40,120	3,337	571,706	4,780	27,478	519,688	465,118	11,328,005	1,447,773	1,119,010	27,214	(630,322)
June 2020	24,354	308	882,879	174,934	41,185	(3,212)	268,773	(1,626)	6,895	377,096	103,243	15,343,604	1,422,894	688,518	21,721	942,153
July 2020	21,468	173	770,236	121,775	36,955	1,122	234,472	(1,116)	9,531	341,518	233,175	18,800,016	1,342,388	873,498	14,939	214,092
August 2020	13,813	154	497,340	85,659	37,099	952	215,831	356	7,321	314,248	232,407	19,037,472	1,401,852	1,165,178	13,441	(219,936)
September 2020	23,831	43	843,395	156,136	17,519	212	280,105	3,101	12,547	418,842	280,504	17,169,326	1,444,360	981,420	16,729	(266,124)
October 2020	30,120	130	1,893,203	281,495	48,097	668	539,461	4,329	24,100	642,623	667,417	15,933,792	1,684,588	1,252,959	47,751	469,280
November 2020	38,873	148	4,451,482	675,580	67,443	938	1,383,168	8,263	54,812	1,221,772	832,311	13,826,279	1,874,066	1,276,615	37,449	717,201
December 2020	46,647	122	6,564,125	1,005,334	70,928	903	2,311,740	18,261	111,414	1,775,026	1,355,267	17,276,341	2,340,569	1,418,559	42,644	(475,472)
January 2021	60,134	128	8,110,541	1,243,990	85,692	916	2,939,003	22,751	138,083	2,253,205	1,498,429	16,497,667	2,574,085	1,387,376	43,656	508,921
February 2021	48,001	119	7,648,486	1,178,717	78,895	1,502	2,728,085	16,320	119,871	2,125,253	1,365,526	15,360,567	2,410,610	1,232,337	45,938	(200,579)
March 2021	45,912	131	5,156,749	767,294	74,873	971	1,948,284	18,252	111,698	1,449,427	1,063,959	14,955,007	2,252,672	1,259,630	54,885	(82,547)
April 2021	28,238	117	2,943,254	428,099	52,667	649	1,046,132	8,083	44,171	915,781	645,876	12,958,666	1,863,697	1,156,622	33,591	(191,082)
May 2021	21,368	119	1,584,888	227,423	39,262	820	550,722	3,774	77,515	581,099	421,522	13,597,570	1,636,038	1,072,136	26,499	(70,735)
June 2021	13,913	94	759,236	115,799	28,741	269	302,895	1,802	(26,605)	353,628	278,965	15,864,268	1,469,480	990,706	18,415	(198,206)
July 2021	19,375	128	737,900	111,218	34,682	929	292,323	2,896	11,009	381,553	273,711	18,027,536	1,407,873	999,831	13,862	143,941
August 2021	19,041	116	712,643	109,260	40,457	987	288,097	17,250	10,930	405,846	265,611	18,141,314	1,483,329	958,785	15,695	98,416
September 2021	18,853	125	683,034	104,079	37,841	967	278,820	6,667	9,677	408,677	314,042	14,322,345	1,519,181	1,024,126	17,582	(34,543)

**INDEX OF CONTENTS ON  
USB FLASH DRIVE**

**UGI UTILITIES, INC. – GAS DIVISION  
2022 BASE RATE CASE  
DOCKET NO. R-2021-3030218**

**INDEX OF CONTENTS ON USB FLASH DRIVE**

- BOOK I -** Indexes, Statements and Standard Filing Requirements
- Attachments III-A-22.2(a) through III-A-22.2(m)
  - Attachment IV-B-5
- BOOK II -** Supplemental Data Requests – Cost of Service, Rate of Return and Revenue Requirements
- Attachments SDR-COS-13
  - Attachments SDR-COS-14(a) and SDR-COS-14(b)
  - Attachments SDR-ROR-4.1 through SDR-ROR-4.5
  - Attachments SDR-ROR-10.1 through SDR-ROR-10.12
  - Attachments SDR-RR-11(a) and SDR-RR-11(b) (Excel)
  - Attachments SDR-RR-27.1 through SDR-RR-27.5
  - UGI Gas Exhibit D under Present Rates (Excel)
  - UGI Gas Exhibit D under Proposed Rates (Excel)
- BOOK III -** UGI Gas Statements No. 1 through Statement No. 5
- BOOK IV -** UGI Gas Statements No. 6 through Statement No. 11
- BOOK V -** UGI Gas Exhibit A – Revenue Requirement
- (Fully Projected, Future and Historic)
- UGI Gas Exhibit B – Rate of Return
- UGI Gas Exhibit E – Proof of Revenue
- BOOK VI -** UGI Gas Exhibit C – Depreciation Study – Fully Projected
- BOOK VII -** UGI Gas Exhibit C – Depreciation Study – Future
- BOOK VIII -** UGI Gas Exhibit C – Depreciation Study – Historic
- BOOK IX -** UGI Gas Exhibit D – Cost of Service Study
- UGI Gas Exhibit D under Present Rates (Excel)
  - UGI Gas Exhibit D under Proposed Rates (Excel)
- BOOK X -** UGI Gas Exhibit F – Current Tariffs
- BOOK XI -** UGI Gas Exhibit F – Proposed Supplement No. 32 to UGI Utilities, Inc. – Gas Division – Pa. P.U.C. Nos. 7 & 7S



**USB FLASH DRIVE**